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HEALTH SERVICE BOARD

1999

The Agenda and Minutes of all meetings prior to April 8 are missing.

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HEALTH SERVICE BOARD

April 8, 1999

The Agenda of this meeting is missing.

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HEALTH SERVICE SYSTEM
A DIVISION OF THE DEPARTMENT OF HUMAN RESOURCES
CITY AND COUNTY OF SAN FRANCISCO

99

HARRY PARETCHAN
PRESIDENT

SCOTT HELDFOND
VICE PRESIDENT

JAMES DEIGNAN
COMMISSIONER

DR. SIDNEY FOSTER
COMMISSIONER

JEAN FRASER
COMMISSIONER

LESLIE KATZ
COMMISSIONER

CLAIRE ZVANSKI
COMMISSIONER

MINUTES

Regular Meeting
Thursday, April 8, 1999
2:00 PM
1155 Market Street, Fourth Floor Conference Room
San Francisco, CA 94103-1523

CALL TO ORDER

2:12 PM

PLEDGE OF ALLEGIANCE

ROLL CALL

President Paretchan	Present
Vice President Heldfond	Excused
Commissioner Deignan	Present
Commissioner Foster	Present
Commissioner Fraser	Present
Commissioner Katz	Absent
Commissioner Zvanski	Present

06-14-99P02:20 RCVD
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President Paretchan presided. He made an announcement regarding the importance of respecting the PUC work areas during meetings.

APPROVAL OF MINUTES:

Rates & Benefits Committee Meeting of March 2, 1999.
Rates & Benefits Committee Meeting of March 11, 1999.

Public Comment: Tito Rael, Rael &Letson, regarding drug benefit deductible.

Action: Moved and seconded to approve the Rates and Benefits Committee Meeting minutes of March 2 and 11, 1999 and the Regular Meeting Minutes of March 11, 1999 with the noted changes. Motion passed 5-0.

4 48533 SFPL ECONO JRS
90 SFPL 07/03/02 8

040899-01 **Report of Deputy Director of Human Resources.**

- **Open Enrollment**
  Both Active and Retired Booklets are printed, and comparison sheet proofs are ready to be printed.

- **Medical Claims**
  The Backlog is 21,394 with a 14 day turnaround. The medical claims volume for the present year continues to escalate. Already 30,000 more claims have been processed this year than last year at this time even though the number of plan participants decreased.

- **Health Service Board Election**
  Five candidates are on the ballot. Ballots are presently being mailed to both active and retired members.

- **Financial Analyst**
  Ms. Patricia Wu was introduced as the new HSS Principal Financial Analyst. Ms. Wu has "hit the ground running" and has completed the 1999 Rate Table computations.

Public Comment: John Lehane, Retiree (POA)
Jean Thomas, CCSF Retiree Assoc.
Herbert Weiner, Dept. of Human Services
Robert Kinealey, Retiree
Diane Hermann, CCSF Retiree Assoc.
Rose Anker, Retiree
Nancy Ginn, Retiree

040899-02 **Report of Rael & Letson, Actuaries & Benefits Consultants.**

Mr. Tito Rael presented the March 1999 Plan 1 expenses. Overall loss ratio for the month is 131%, and the cumulative loss ratio is 106% (Exhibit 1).

Public Comment: Jean Thomas, Retiree
Diane Herman, CCSF Retiree Association
Frances Guyer, Retiree, SFUSD

040899-03 **Budget Update by DHR Budget Manager, Diane Lim.**

Ms. Diane Lim, DHR Budget Manager, presented the Budget Status Report (Exhibit 2). A forthcoming meeting is planned to discuss allowable expenses from the trust fund.

Public Comment: Robert Pardine, Retiree
Diane Herman, CCSF Retiree Association
D. Goldman, Retiree

Action: The HSS Board requested that the budget analyst from the Mayor's Budget office responsible for HSS be rescheduled to the next meeting.

040899-04 **Discussion and possible amendment to provisions of the HSS Rules and Regulations regarding COBRA, Leave of Absence, and Delinquent Payment Procedures.**

Public Comment: None

Action: Continue to the Special Meeting on April 27th.

040899-05 **Discussion and possible action regarding staff recommendations for selection of vendors for:**

PPO, Substance Abuse, Managed Care Review, Utilization Review, and Specialty Networks (Acupuncture, Chiropractic, Physical Therapy, Podiatry.

Public Comment: None

Action: Continue to the Special Meeting on April 27th.

040899-06 **Discussion and possible approval of RFP for Actuarial Services and 3rd Party Administrator for Flexible Benefits administration for MEA and Eligible Unrepresented Employees.**

Public Comment: None.

Action: Moved and seconded to approve RFP for Actuarial Services and 3rd Party Administrator for Flexible Benefits Administration for both MEA and Eligible Unrepresented Employees. Motion passed 5-0.

040899-07 **Other Business.**

Commissioner Fraser requested to calendar amendments to HSS Rules for the next meeting, along with discussion of IRS rules that pertain to the transfer of monies from Dependent Day Care to Health Care Flexible Spending Accounts.

Ms. Sommercamp noted that the City Plan changes will appear in the May addition of Total Wellness.

Public Comment: Diane Hermann, CCSF Retiree Assoc.
Herbert Weiner, Dept. of Human Services.

ADJOURNMENT

3:36 PM

REPORT BY ACTUARY ON CASH BASIS FOR THE APRIL 8, 1999

MEETING OF THE HEALTH SERVICE BOARD

PLAN I

Experience for the period July 1, 1998 through March 31, 1999

	CONTRIBUTIONS	CLAIMS	LOSS RATIO FOR MONTH	LOSS RATIO CUMULATIVE
(1) MEDICAL BENEFITS				
Active Employees	$ 15,857,465	$ 16,922,675	122%	107%
Retired Employees (NM)	5,653,902	6,318,056	138	112
Retired Employees (M)	4,278,051	3,567,186	133	83
Adult Dependents (NM)	7,260,230	7,981,355	124	110
Adult Dependents (M)	740,866	678,607	129	92
Minor Dependents	2,865,407	3,353,593	118	127
TOTAL	$ 36,655,921	$ 38,821,472	126%	106%
(2) PRESCRIPTION DRUG BENEFIT				
Active Employees	$ 4,877,527	$ 5,565,723	153%	114%
Retired Employees (NM)	1,564,293	1,880,146	164	220
Retired Employees (M)	5,709,630	5,739,215	150	101
TOTAL	$ 12,151,450	$ 13,185,084	153%	109%
(3) VISION CARE BENEFIT				
Active Employees	$ 456,177	$ 339,671	56%	74%
Retired Employees (NM)	80,687	55,246	48	68
Retired Employees (M)	259,380	149,505	53	58
TOTAL	$ 796,244	$ 544,422	54%	68%
(4) ALL COVERAGES				
Active Employees	$ 21,191,169	$ 22,828,069	128%	108%
Retired Employees (NM)	7,298,882	8,253,448	143	113
Retired Employees (M)	10,247,061	9,455,906	141	92
Adult Dependents (NM)	7,260,230	7,981,355	124	110
Adult Dependents (M)	740,866	678,607	129	92
Minor Dependents	2,865,407	3,353,593	118	117
TOTAL	$ 49,603,615	$ 52,550,978	131%	106%

Department of Human Resources
Health Service System
1999/00 Budget
2/11/99 11:31

		1999/00 Budget Request											
	**1998/99 Phase D	Staffing	Training Staffing	Board Travel/Mtgs	Flexible Benefit Consultants & RN-UR	Call Center Enhancements	Systems Support	Ergonomic Chairs	Med. Claims Investigation/ Audit	IVR Support	1999/2000 Proposed	Change 1999/00 proposed
Object	**Budget**										**Budget**	**vs 1998/99 Budget**
Salary	2,135,380	202,985	-	-	-	-	-	-	-		2,338,365	202,985
Fringe	530,520	50,746	-	-	-	-	-	-	-		581,266	50,746
Training	15,000	-	-	-	-	-	-	-	-		15,000	-
Travel	20,000	-	-	30,000	-	-	-	-	-		50,000	30,000
Membership Fees	450	-	-	-	-	-	-	-	-		450	-
Professional Svcs	342,594	-	100,000	-	150,000	-	75,000	-	150,000	50,000	867,594	525,000
Current Expense	393,361	-	-	-	-	334,000	-	-	-		727,361	334,000
Equipment	97,000	-	-	-	-	-	-	30,000	-		127,000	30,000
Materials & Supplies	20,500	-	-	-	-	-	-	-	-		20,500	-
Svcs of other Depts	945,133	-	-	-	-	-	-	-	-		945,133	-
Total Expense	4,499,938	253,731	100,000	30,000	150,000	334,000	75,000	30,000	150,000		5,622,669	1,172,731
Recovery	(4,363,086)	-	-	-	-	-	-	-	-		(4,363,086)	-
							-					-
HSS Total	136,852	253,731	100,000	30,000	150,000	334,000	75,000	30,000	150,000		1,259,583	1,172,731

Schedule for Budget Committee
on Budget

Health Service System
1145 Market Street, 2nd floor
San Francisco, CA 94103
2/11/99 10:30

1999-2000 HSS Budget Initiatives: Cost Summary

Initiative No.		Title	Bi weekly		Annual Amount	Fringes	Estimated Costs
A	1814	Membership Supervisor	2,737	0.75	53,782	0.25	$ 67,228
	1632	Senior Account Clerk	1,674	0.75	32,894	0.25	$ 41,118
	1210	Benefits Analyst	1,890	0.75	37,139	0.25	$ 46,423
	1823	Sr. Admin Analyst	2,490	0.75	48,929	0.25	$ 61,161
	1426	Sr. Clerk Typist	1,539	0.75	30,241	0.25	$ 37,802
			Total	3.75			$ 253,731
B		Temporary Staffing Increase					$ 100,000
C		Travel & Training					$ 30,000
D		Flex Benefit Consulting					$ 100,000
		Utilization RN Review					$ 50,000
F		Open Enrollment					$ 334,000
H		Claim Fraud Detection					$ 75,000
		Medical Claims Audit					$ 75,000
I		Ergonomic Chairs					$ 30,000
J		Talx IVR					$ 50,000
K		Wang System Support (Contractual)					$ 75,000
		Total					$ 1,172,731

IFNB - Sum Mitch.
2 conference

HEALTH SERVICE BOARD

April 27, 1999

The Agendas of the regular and special meetings are missing.

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HEALTH SERVICE BOARD

April 27, 1999

The Minutes of the regular meeting are missing.

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HEALTH SERVICE SYSTEM
A DIVISION OF THE DEPARTMENT OF HUMAN RESOURCES
CITY AND COUNTY OF SAN FRANCISCO

HARRY PARETCHAN
PRESIDENT

SCOTT HELDFOND
VICE PRESIDENT

JAMES DEIGNAN
COMMISSIONER

DR. SIDNEY FOSTER
COMMISSIONER

JEAN FRASER
COMMISSIONER

LESLIE KATZ
COMMISSIONER

CLAIRE ZVANSKI
COMMISSIONER

SPECIAL MEETING OF THE HEALTH SERVICE BOARD

Tuesday, April 27, 1999
10:00 AM

1155 Market Street, Fourth Floor Conference Room
San Francisco, CA 94103-1523

MINUTES

06-14-99P02:20 RCVD
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CALL TO ORDER

10:03 AM

PLEDGE OF ALLEGIANCE

ROLL CALL

President Paretchan	Present
Vice President Heldfond	Present
Commissioner Deignan	Present
Commissioner Foster	Excused
Commissioner Fraser	Present
Commissioner Katz	Absent
Commissioner Zvanski	Present

President Paretchan presided.

APPROVAL OF MINUTES:

Rates & Benefits Committee Meeting of March 11, 1999.
Special Appeals Meeting of April 8, 1999.

Public Comment: None

Action: None

042799-01 **Report of Deputy Director of Human Resources.**

- Open Enrollment.

- Retiree packets mailed on Saturday, April 24
- Some retirees received their information by Monday, April 26
- Comparison charts, custom worksheets – almost complete
- The room that is being used for Open Enrollment is being set up downstairs from Health Services

- Local 21 Grievance.

Local 21 Grievance to ERD re: rates/changes

- Status of Board of Supervisors' Resolution regarding 10 County survey contribution amount.

The Ten County Survey went to the general committee on April 21 and is tentatively calendared for April

- Status of Board of Supervisors' approval of rates.

Approval of the rates by the Board of Supervisors, Docket will be available tomorrow

042799-02 **Discussion and possible amendment to the HSS Rules and Regulations regarding COBRA, leave of absence, and delinquent payment procedures.**

Public Comment: Dennis Kruger

Action: Moved and seconded to approve. Motion passed (5-0).

042799-03 **Discussion and possible action on the HSS budget for FY 1999/2000.**

Diane Lim, DHR, Budget Director
Christine Ragen, Budget Analyst

- Budget requests at Mayor's office
- Assigned to work on budget
- Discussion of possible items that may be cut, issues with departments, address any concerns

Public Comment: Diane Herman

042799-04 **Discussion and possible action on a Resolution authorizing the payment of Open Enrollment expenses from the trust fund pursuant to Section A8.423 of the Charter (Exhibit 1).**

Recommendation: Budget trust fund expenditures; prepare companion budget for Board's approval, not to exceed $375,000 for only items in resolution.

Public Comment: None

Action: Moved and seconded to approve as amended. Motion passed (5-0).

042799-05 **Discussion and of staff recommendations and possible selection of vendor(s) pursuant to the RFP process for the following services:**

PPO, Substance Abuse, Managed Care Review, Utilization Review, and Specialty Networks (Acupuncture, Chiropractic, Physical Therapy, Podiatry) Networks.

Public Comment: None

Action: Continue to the Special Meeting on May 13.

042799-06 **Discussion of IRS rules regarding the transfer of monies between flexible spending accounts.**

Public Comment: None.

Action: None

042799-07 **Other Business.**

- Commissioner Fraser asked that Rule changes to adding Dependents and appeals be calendared for 5/13.
- Diane Herman: Calendar Mr. Sacco, Chair of Retirees on 5/4 @ 10:00 am.
- Mr. Sacco, Chair of San Francisco Retirees asked that Special Meetings not be held when Retiree Association meets.

ADJOURNMENT

11:50 AM

[Open Enrollment Expenses]

RESOLUTION APPROVING PAYMENT OF CERTAIN OPEN ENROLLMENT EXPENSES FOR PLAN YEAR 1999-2000, PURSUANT TO SECTION A8.423 OF APPENDIX A TO THE CHARTER, AND REQUESTING A BUDGET FOR SUCH PLAN YEAR.

WHEREAS, Pursuant to Section A8.423 of Appendix A to the City Charter, the Health Service Board (the "Board") is required to obtain and disseminate information to its members with regard to plan benefits and costs thereof; and

WHEREAS, Pursuant to such Charter Section, the Board is required to pay from reserves in the Health Service Fund all expenses in connection with obtaining and disseminating such information; and

WHEREAS, for Open Enrollment for the Plan Year 1999-2000 (the "Next Plan Year"), the expenses of obtaining and dissemination such information (the "Information Expenses") are as set forth in Exhibit A attached hereto and made a part hereof; and

WHEREAS, The Board desires to approve the payment of the Information Expenses and to obtain promptly a budget of expenses to be paid from the Health Service Fund for the Next Plan Year; now, therefore, be it

RESOLVED, That the Board hereby approves the payment from the Health Service Fund of the Information Expenses; and

FURTHER RESOLVED, That the Board hereby requests that the Deputy Director of Human Resources, Health Services Division, promptly prepare for and present to the Board for approval a budget for the Next Plan Year of anticipated expenses required to be paid from the Health Service Fund during the Next Plan Year; and

FURTHER RESOLVED, That HSS staff prepare and return to the Board and accounting of all such Information Expenses paid for out of the Health Service Fund.

EXHIBIT A

Information Expenses

Postage and printing expenses not to exceed $375,000.

CERTIFICATION

I hereby certify that I perform the functions of the Secretary of the Health Service Board, and that the above Resolution was duly adopted and approved by the Health Services Board at a properly noticed meeting on April 27, 1999.

Mila Palarca

HEALTH SERVICE BOARD

May 13, 1999

The Agendas of the regular and special meetings are missing.

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HEALTH SERVICE BOARD

May 13, 1999

The Minutes of the appeals meeting are missing.

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HEALTH SERVICE SYSTEM
A DIVISION OF THE DEPARTMENT OF HUMAN RESOURCES
CITY AND COUNTY OF SAN FRANCISCO

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1/13/99

SCOTT HELDFOND
PRESIDENT

CLAIRE ZVANSKI
VICE PRESIDENT

JAMES DEIGNAN
COMMISSIONER

JEAN FRASER
COMMISSIONER

LESLIE KATZ
COMMISSIONER

HARRY PARETCHAN
COMMISSIONER

MELISSA WELCH, M.D.
COMMISSIONER

REGULAR MEETING OF THE HEALTH SERVICE BOARD

Thursday, May 13, 1999
2:00 PM
1155 Market Street, Fourth Floor Conference Room
San Francisco, CA 94103-1523

MINUTES

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AUG 17 1999

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CALL TO ORDER

2:08 PM

PLEDGE OF ALLEGIANCE

ROLL CALL

President Paretchan	Present
Vice President Heldfond	Present
Commissioner Deignan	Present
Commissioner Foster	Excused
Commissioner Fraser	Present
Commissioner Katz	Absent
Commissioner Zvanski	Present

President Paretchan presided.

APPROVAL OF MINUTES:

Regular Meeting of November 20, 1997.
Regular Meeting of March 12, 1998.
Special Meeting of August 13, 1998.
Regular Meeting of April 8, 1999.
Regular Meeting of April 27, 1999.

Public Comment: None

Action: Moved and seconded to approve all minutes with noted corrections, except for the Regular Meeting Minutes from March 12 which will be continued to the June meeting. Motion passed (5-0).

051399-01 **Report of Deputy Director of Human Resources.**

- Open Enrollment.
  - Open Enrollment began on Monday, May 3 and is set up at 1145 Market, 1st floor.
  - HSS will also be at sites listed in the booklet.
  - Changes to member plans can only be made through IVR. If members have problems using IVR, they may send in their application which would necessitate manual entry at Open Enrollment.
  - Health Services is averaging 300 members a day and had assisted 2000 members as of Wednesday, May 12.
- Results of Health Service Board Elections.
  - James Deignan was reelected to the HSB.
- Status of Board of Supervisors' approval of rates.
  - Letter has been docketed and calendared for May 26 at the Finance Committee.
  - Ms. Sommercamp has been meeting with the Board of Supervisors members to discuss the rates and the formulation of those Rates.
- Status of Accounting Reorganization.
  - Patricia Wu is working on response to the Controller's Audit.
  - Ms. Wu and the Controller's office are in the process of restructuring which monies go to the Trust Fund.
  - The Board should receive financial statements after July 1.

051399-02 **Report of Real & Letson, Actuaries & Benefit Consultants.**

Public Comment: Tito Real reported on the loss ratio for the 1998-1999, noting that there are still two months left in the fiscal year.

Action: Moved and seconded to approve the report of the actuary. Motion passed (5-0).

042799-03 **Discussion and possible action on the HSS Budget (FY 1999/2000).**

Staff Presentation:
- Diane Lim, DHR Budget Director: Will be mailing out budget recommendations once it is released by the Mayor's Office.

- Christine Ragen, Budget Analyst: HSS has been considered for additional budgeting. Matthew Hymel is in charge of the requests.
- Ann Sommercamp discussed the implementation of People Soft and the fact that its funding comes from other departments.
- Bart Duncan disclosed that HSS is one of the few departments that is receiving a budget increase recommendation.

Action: None.

051399-04 **Report on Collection of Overpayments.**

Staff Report: Ann Sommercamp reported that there was $3.1 million overpayments during the partial payment phase. HSS has three people working to collect these monies and has recovered $2,022,000.

Action: None.

051399-05 **Discussion of staff recommendation and possible selection of vendor(s) pursuant to the RFP process for the following services:**
PPO, Substance Abuse, Managed Care Review, Utilization Review, and Specialty Networks (Acupuncture, Chiropractic, Physical Therapy, Podiatry).

Staff Report: Ann Sommercamp recommended that CAPP Care/Beech Street be awarded all the above services, except for the Substance Abuse which will be continued to the June meeting.

Action: Moved and seconded to accept CAPP Care/Beech Street as the provider for all services listed above except for Substance Abuse. Motion Passed (5-0).

051399-06 **Discussion of staff recommendation and possible selection of vendor pursuant to the RFP process for the Pharmacy Benefit Manager.**

Staff Report: Ann Sommercamp recommended that Express Scripts be awarded the contract for Pharmacy Benefit Management.

Action: Moved and seconded to accept Express Scripts as the provider for pharmacy benefits for Plan 1. Motion passed (5-0).

042799-07 **Report from each Provider participating in this year's Open Enrollment on:**

- **How quickly the provider's turnaround time is to HSS Member for Plan documents and information.**
- **How long each call from a HSS is put on hold.**

Health Net - Joanne Haggerty
PacifiCare - Jane Fronk
Kaiser - Leslie Gill
Delta Care - John Schilling
Pacific Dental - Karen Olson
Colonial - Dan Schwartz

051399-08 **Other Business.**

- Commissioner Deignan, re: possibility of lowering rates if experience improves.
- Tito Rael, re: rates determined by Charter requirements.
- Nancy Gin, re: Medicare retiree rates revision. Requested that the letter be sent again.
- Bob Pardini, President, CCSF Retires, re: Kaiser's discontinuance of out-of-state coverage.
- Jane _____, re: Members transferring from City plan to different plan Guaranteed acceptance into other plans. Will money for letter come from Trust Fund?
- Dennis Kruger, Firefighter Association, re: Out of state dependents on health plans and that City Plan is only plan to cover out-of-state students for non-urgent medical care.

ADJOURNMENT

5:11 PM

HEALTH SERVICE SYSTEM
A DIVISION OF THE DEPARTMENT OF HUMAN RESOURCES
CITY AND COUNTY OF SAN FRANCISCO

HARRY PARETCHAN
PRESIDENT

SCOTT HELDFOND
VICE PRESIDENT

JAMES DEIGNAN
COMMISSIONER

DR. SIDNEY FOSTER
COMMISSIONER

JEAN FRASER
COMMISSIONER

LESLIE KATZ
COMMISSIONER

CLAIRE ZVANSKI
COMMISSIONER

SPECIAL MEETING
OF THE HEALTH SERVICE BOARD

Friday, May 28, 1999
9:00 AM

1155 Market Street, 4th Floor Conference Room
San Francisco, CA 94103

AGENDA

DOCUMENTS DEPT.
MAY 28 1999
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CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

President Paretchan
Vice President Heldfond
Commissioner Deignan
Commissioner Fraser
Commissioner Katz
Commissioner Zvanski

052899SP-01 Discussion and possible action regarding extension of Open Enrollment.

Public Comment:

Action:

052899SP-02 Discussion and possible action regarding changing the June 10th regular meeting to June 11th.

Public Comment:

Action:

052899SP-03 Other Business.

This item is designed to allow the opportunity to calendar items for future meetings.

Public Comment:

052899SP-04 Public Comment on Any Matter within the Board's Jurisdiction.

Public Comment:

ADJOURNMENT

F
25
3
1/28/99

HEALTH SERVICE SYSTEM
A DIVISION OF THE DEPARTMENT OF HUMAN RESOURCES
CITY AND COUNTY OF SAN FRANCISCO

SCOTT HELDFOND
PRESIDENT

CLAIRE ZVANSKI
VICE PRESIDENT

JAMES DEIGNAN
COMMISSIONER

JEAN FRASER
COMMISSIONER

LESLIE KATZ
COMMISSIONER

HARRY PARETCHAN
COMMISSIONER

MELISSA WELCH, M.D.
COMMISSIONER

MEETING OF THE HEALTH SERVICE BOARD

Friday, May 28, 1999
9:00 AM
1155 Market Street, Fourth Floor Conference Room
San Francisco, CA 94103-1523

MINUTES

CALL TO ORDER

9:00 AM

PLEDGE OF ALLEGIANCE

ROLL CALL

DOCUMENTS DEPT.
AUG 17 1999
SAN FRANCISCO
PUBLIC LIBRARY

President Paretchan	Present
Vice President Heldfond	Departed 10:29 AM
Commissioner Deignan	Present
Commissioner Fraser	Present
Commissioner Katz	Arrived 9:31 AM
Commissioner Zvanski	Present

President Paretchan presided.

052899-01 **Discussion and possible action regarding extension of Open Enrollment.**

Public Comment:

- Mr. Duncan , HSB Counsel, summarized essential issues and points held May 26, 1999. Although the Finance Committee recommended Open Enrollment be extended the entire month of June, Mr. Duncan recommended extension to June 11 (for walk-in members) and to June 13 (for the automated enrollment).

Action: Moved and seconded to extend Open Enrollment to June 11 (for walk-in members) and to June 13th (for automated enrollment).

Public Comment:

- Supervisor Leland Yee, the Open Enrollment extension to June 13th is feasible; however this extension would require agreement by the committee, City Attorney's Office and staff. A one-month extension would be a $2-3 M Trust Fund loss. He suggested Board of Supervisors' Budget Analyst perform audit of finances and performance of Plan 1(and HSS if needed).
- Mr. David Novogrodsky, Executive Director, Local 21, HSS include a non-HMO alternative to City Health Plan. HSS has refused to negotiate with Local 21. He suggests One-month Open Enrollment extension.
- Jerry De Ryan, retiree, wants Open Enrollment extended. Described HSB problems starting when HSS joined Department of Human Resources. Wants HSS to prepare full and complete supplemental request and forward it to Mayor's Office. He assures the entire retiree support, and wants HSB to have a licensed actuary.
- Diane Hermann, Retiree Assn. Rep., clarification on issues: 1) $25,000 cap on Catastrophic Loss and out-of-pocket costs, 2) new drug benefit mail order, 3) new PPO network access.
- Ms. Kathleen Price, Vice Pres., Local 21, requested copy of KPMG and Controller's audits.
- Mr. Tony Sacco, Retiree CCSF Fire Fighter, wants HSS correspondence dated and signed. Board asks that all HSS correspondence be reviewed by Mr. Rael.
- Mr. Bob Canelli, CCSF Retiree, discussed the confusion about Catastrophic Loss.

Action: Motion passed (6-0).

052899-02 **Discussion and possible action regarding changing the June 10th regular meeting to June 11th.**

Public Comment:

- Mr. Leadbeater, stated the regular Board facilities were not available for proposed June 11th meeting; however, the Retirement Boardroom facility is available June 15th.
- Commissioner Katz, suggested the Committee meeting rooms at City Hall be used for June 15th meeting.

Action: Moved and seconded to change the June 10th meeting to

June 15th and that the Committee Meeting Room be used. Motion passed (6-0).

052899-03 Other Business

Items for HSB calendar:

1) HSB members attending Committee Meetings
2) Catastrophic Loss on non-PPO expenses
3) Report on Ten County Survey for Retiree Refunds
4) Valley Medical IPA/Health Net contracted relationship
5) To prepare a resolution thanking Dr. Foster for his service.
6) All correspondence/corrections mailed to members should be mailed to Board members as well.
7) Health Project at Mayor's Office

ADJOURNMENT

10:31 AM

HEALTH SERVICE SYSTEM
A DIVISION OF THE DEPARTMENT OF HUMAN RESOURCES
CITY AND COUNTY OF SAN FRANCISCO

HARRY PARETCHAN
PRESIDENT

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VICE PRESIDENT

JAMES DEIGNAN
COMMISSIONER

DR. SIDNEY FOSTER
COMMISSIONER

JEAN FRASER
COMMISSIONER

LESLIE KATZ
COMMISSIONER

CLAIRE ZVANSKI
COMMISSIONER

APPEALS MEETING OF THE HEALTH SERVICE BOARD

Tuesday, June 15, 1999
9:00 AM
One Dr. Carlton B. Goodlett Drive
San Francisco, CA 94103

AGENDA

DOCUMENTS DEPT.
JUN 01 1999
SAN FRANCISCO
PUBLIC LIBRARY
06-01-99A11:29 RCVD

CALL TO ORDER

ROLL CALL

President Paretchan
Vice President Heldfond
Commissioner Deignan
Commissioner Fraser
Commissioner Katz
Commissioner Zvanski

APPEALS

061099-01 **Public Comment on All Matters Pertaining to the Closed Session.**

Public Comment:

061099-02 **Closed Session Pursuant to Government Code Section 54956.9(b)(3)(B) and San Francisco Administrative Code Section 67.11(b)(2).**

CONSIDERATION OF APPEALS PURSUANT TO SECTION 12.200(5) OF THE CHARTER OF THE CITY AND COUNTY OF SAN FRANCISCO.

A. **Appeal of Denial To Transfer from the Kaiser Plan to the City Plan. (Continued from May 13th meeting)**

(HSS # 90696)

Staff Recommendation: Uphold the denial of the Appeal.

Member Comment:

Board Action:

B. **Appeal of Denial for Laser Treatments as Cosmetic. (Continued from May 13th meeting)**

(HSS # 63569)

Staff Recommendation: Uphold the denial of the Appeal.

Member Comment:

Board Action:

C. **Appeal for Additional Acupuncture Treatment in Excess of the Maximum Limit of $1250.00 Per Benefit Year as well as Homeopathic/Naturopathic treatment. (Continued from May 13th meeting)**

(HSS # 21482)

Staff Recommendation: Uphold the denial of the Appeal.

Member Comment:

Board Action:

D. Appeal of Denial to pay Delinquent Contributions under a Partial Payment Plan.

(HSS # 22350)

Staff Recommendation: Uphold the denial of the Appeal.

Member Comment:

Board Action:

E. Appeal of Denial for Services rendered in Mexico.

(HSS # 59416)

Staff Recommendation: Uphold the denial of the Appeal.

Member Comment:

Board Action:

061099-03 Reconvene in Open Session

(A) Possible report on action taken in closed session. (Government Code Section 54957.1(a)(2) and San Francisco Administrative Code section 67.14(b)(2).)

(B) Vote to elect whether to disclose any or all discussion held in Closed Session (San Francisco Administrative Code section 67.14(a).

Public Comment:

Action:

061099-04 Public Consent on Any Matter within the Board's Jurisdiction.

Public Comment:

ADJOURNMENT

ACCESSIBLE MEETING POLICY

The meeting will be held at 1155 Market St., 4th Floor. The closest accessible BART station is located at Market St./Civic Center. Accessible MUNI lines serving this location are J, K, L, M, 6, 7, 8 and 21. For information about MUNI accessible services call 923-6142.

There is accessible parking available at the following locations:

Market and 8th Streets.

Accessible seating for persons with disabilities (including those using wheelchairs) will be available.

The following services are available upon request:

- American sign language interpreters will be available upon request.
- A sound enhancement system will be available upon request at the meeting.
- Minutes of the meeting or hearing are available in alternative formats.

If you require the use of any of these services, please contact Mila A. Palarca at (415) 554-1737 at least 72 hours prior to the meeting.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City accommodate these individuals.

KNOW YOUR RIGHTS UNDER THE SUNSHINE ORDINANCE
(Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decisions in full view of the public.

Commissions, Boards, Councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

FOR MORE INFORMATION ON YOUR RIGHTS UNDER THE SUNSHINE ORDINANCE OR TO REPORT A VIOLATION O F THE ORDINANCE, CONTACT THE SUNSHINE ORDINANCE TASK FORCE AT 554-6075.

HEALTH SERVICE BOARD

June 15, 1999

The Minutes of the appeals meeting are missing.

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HEALTH SERVICE SYSTEM
A DIVISION OF THE DEPARTMENT OF HUMAN RESOURCES
CITY AND COUNTY OF SAN FRANCISCO

HARRY PARETCHAN
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JEAN FRASER
COMMISSIONER

LESLIE KATZ
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CLAIRE ZVANSKI
COMMISSIONER

REGULAR MEETING OF THE HEALTH SERVICE BOARD

Tuesday, June 15, 1999
10:00 AM

One Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

AGENDA

DOCUMENTS DEPT.

JUN 9 1 1999

SAN FRANCISCO
PUBLIC LIBRARY

06-01-99A11:29 RCVD

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

President Paretchan
Vice President Heldfond
Commissioner Deignan
Commissioner Fraser
Commissioner Katz
Commissioner Zvanski

APPROVAL OF MINUTES:

Regular Meeting of March 12, 1998.
Appeals Meeting of May 13, 1999
Regular Meeting of May 13, 1999
Special Meeting of May 28, 1999

Public Comment:

Action:

061599-01 **Report of Rael & Letson, Actuaries & Benefits Consultants.**

Public Comment:

Action:

061599-02 **Discussion and possible action regarding selection of vendors under RFPs for the following services: Actuary, Third Party Administrator for Flexible Benefits Plan and Substance Abuse Contracts.**

Public Comment:

Action:

061599-03 **Discussion and possible action re: Resolution(s) commending D. Sidney Foster.**

Public Comment:

Action:

061599-04 **Andrea Gourdine concerning the administration of the Health Service System**

Public Comment:

Action:

061599-05 **Discussion and possible action on the request of Rutherford Publishing, Inc. for continuation of service of the Total Wellness newsletter for the next fiscal year, July 1999 to June 2000.**

Public Comment:

Action:

061599-06 **Discussion and possible action on the HSS Budget (FY 1999/2000).**

Public Comment:

Action:

061599-07 **Report of Deputy Director of Human Resources.**

- Medical Claims.
- Open Enrollment Update.
- Status of Board of Supervisors' approval of rates.
- Site visit of FBMC.
- Partial Payment Reconciliation.
- Status of Local 21 Grievance.

061599-08 **Nomination and Election of Health Service Board President and Vice President.**

Public Comment:

Action:

061599-09 **Discussion and possible action on proposed Changes to Health Service System Rules.**

Public Comment:

Action:

061599-10 **Presentation by Express Scripts.**

Public Comment:

Action:

061599-11 **Discussion and possible action regarding the August, 1999 Meeting.**

Public Comment:

Action:

O61599-12 **Discussion and possible action regarding Health Service Board's Participation in certain public hearings and communications as well as RFP screening panels**

Public Comment:

Action:

061599-13 **Discussion and possible action regarding contributions of certain California cities and counties toward retiree benefits.**

Public Comment:

Action:

061599-14 **Discussion and possible action regarding City Plan 1 Catastrophic Care Cap Cost for non-PPO services.**

Public Comment:

Action:

061599-15 **Discussion and possible action regarding physician and hospital networks available to Hetch Hetchy employees through Health Net and PacifiCare plans.**

Public Comment:

Action:

061599-16 **Discussion and possible action regarding plans of Mayor's Office relating to health care.**

Public Comment:

Action:

061599-17 **Other Business**
This item is designed to allow the opportunity to calendar items for future meetings.

Public Comment:

061599-18 **Public Comment on Any Matter within the Board's Jurisdiction.**

Public Comment:

ADJOURNMENT

ACCESSIBLE MEETING POLICY

The meeting will be held at 1155 Market St., 4th Floor. The closest accessible BART station is located at Market St./Civic Center. Accessible MUNI lines serving this location are J, K, L, M, 6, 7, 8 and 21. For information about MUNI accessible services call 923-6142.

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HEALTH SERVICE SYSTEM
A DIVISION OF THE DEPARTMENT OF HUMAN RESOURCES
CITY AND COUNTY OF SAN FRANCISCO

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5/99

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COMMISSIONER

HARRY PARETCHAN
COMMISSIONER

MELISSA WELCH, M.D.
COMMISSIONER

REGULAR MEETING OF THE HEALTH SERVICE BOARD

Tuesday, June 15, 1999
10:00 AM

One Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

MINUTES

CALL TO ORDER
10:01 AM

ROLL CALL

President Paretchan	Present
Vice President Heldfond	Present
Commissioner Deignan	Present
Commissioner Fraser	Present
Commissioner Katz	Present (arrived 10:10am, departed 12:35pm)
Commissioner Welch	Present (arrived 10:20am)
Commissioner Zvanski	Present

APPROVAL OF MINUTES:
Regular Meeting of March 12, 1998.
Appeals Meeting of May 13, 1999.
Regular Meeting of May 13, 1999.
Special Meeting of May 28, 1999.

Public Comment: None.

Action: Moved and seconded to approve the minutes from the regular meetings of March 12, 1998 and May 13, 1999; the appeals meeting of May 13, 1999; and the special meeting of May 28, 1999 with noted corrections. Motion passed (6-0).

061599-01 **Report of Rael & Letson, Actuaries & Benefits Consultant.**

Action: Moved and seconded to accept the report of the Rael & Letson. Motion passed (6-0).

061599-02 **Discussion and possible action regarding selection of vendors under RFPs for the following services: Actuary, Third Party Administrator for Flexible Benefits Plan and Substance Abuse Contracts.**

Staff Recommendation:

1) Actuary: Authorize staff to negotiate a contract with Towers Perrin.

Public Comment: In favor of staff recommendation:
Diane Herman, Retiree Association
Bernard Crotty, Retiree Association
Jean Thomas, Pres., Retiree Association
Nancy Gin, Retiree Association
Jerry De Ryan, Retiree Association
Dale Butler, SEIU

Action: Moved and seconded to authorize staff to negotiate contract with Towers Perrin for actuarial services. Motion passed (5-2), Paretchan and Zvanski dissenting.

2) Third Party Administrators: Authorize staff to negotiate a contract with EBS.

Public Comment: None.

Action: Moved and seconded to authorize staff to negotiate a contract with EBS as the Third Party Administrator for the Flexible Benefits Program. Motion passed (7-0).

3) Substance Abuse: Authorize staff to negotiate a contract with Pacificare Behavioral Health.

Public Comment: None.

Action: Moved and seconded to authorize staff to negotiate the contract with United Behavioral Health upon re-negotiation of administrative fees. Motion passed (7-0).

061599-03 **Discussion and possible action re: Resolution(s) commending D. Sidney Foster.**

Public Comment: None.

Action: Continue to July meeting.

061599-04 **Andrea Gourdine concerning the administration of the Health Service System.**

Public Comment:
Bob Pardini, Retiree Association
Jerry DeRyan, Retiree Association
(neutral)

Action: None

061599-05 **Discussion and possible action on the request of Rutherford Publishing, Inc. for continuation of service of the Total Wellness newsletter for the next fiscal year, July 1999 to June 2000.**

Public Comment: Ronnie Marroquin, Rutherford Publishing Inc.

Action: Moved and seconded to continue *Total Wellness* contract for FY 1999-2000. Motion Passed (6-0; Fraser out of the room).

061599-06 **Discussion and possible action on the FY 1999/2000 HSS Budget.**

Public Comment:
In favor:
Jerry DeRyan, Retiree Association
Diane Herman, Retiree Association
Bernard Crotty, Retiree Association

Action: None.

061599-07 **Report of Deputy Director of Human Resources.**

- Medical Claims
  14-15 day turnaround time, under 20,000 claims backlog.
- Open Enrollment Update
  1,100 retirees and 5,000 actives dis-enrolled from Plan 1.
- Status of Board of Supervisors' approval of rates
  The rates were passed unanimously on 6/14/99.
- FBMC Site Visit
  FMBC is the new contractor for Flexible Spending Accounts.
- Partial Payment Reconciliation

The City Attorney will assist in recovering the outstanding payments of $900,000.

- Status of Local 21 Grievance
  No new information.

Public Comment:
Nancy Gin, Retiree Association
Bob Pardini, Retiree Association
Jean Thomas, RetireeAssociation
Bernard Crotty, Retiree Association

Action: None.

061599-08 **Nomination and Election of Health Service Board President and Vice President.**

Public Comment: None.

Action: Moved and seconded to elect Commissioner Heldfond for President of HSB. Motion passed (7-0). Vice-President Deignan was nominated for Vice-president but declined the nomination. Moved and seconded to elect Commissioner Zvanski for Vice-President of HSB. Motion passed (7-0).

061599-09 **Discussion and possible action on proposed Changes to Health Service System Rules.**

Staff Recommendation:
Approve the changes to HSS Membership Rules and Regulations regarding late enrollment of dependents.

Public Comment: None.

Action: Moved and seconded that the item be continued to July meeting and make any changes effective retroactively to July 1,1999. Motion passed (6-0, Heldfond not voting).

061599-10 **Presentation by Express Scripts.**

Jolene Danielson, Gloria Goldberg, and Amy Grosse with Express Scripts/Value Rx presented a brief overview of the new Pharmacy Benefits Management Company.

Public Comment: None.

Action: None.

061599-11 **Discussion and possible action regarding the August, 1999 Meeting.**

Staff Recommendation:
Cancel August meeting due to holiday schedule.

Public Comment: None.

Action: Continue to July meeting.

061599-12 **Discussion and possible action regarding Health Service Board's participation in certain public hearings and communications as well as RFP screening panels.**

Public Comment: None.

Action: Continue to July meeting.

061599-13 **Discussion and possible action regarding contributions of certain California cities and counties toward retiree benefits.**

Staff Recommendation:
Accept the report of the Ten County Survey of retiree benefits.

Public Comment: Nancy Gin, Retiree Association

Action: None.

061599-14 **Discussion and possible action regarding City Plan 1 Catastrophic Care Cap Cost for non-PPO services.**

Public Comment: None.

Action: Continue to future meeting.

061599-15 **Discussion and possible action regarding physician and hospital networks available to Hetch Hetchy employees enrolled in Health Net and PacifiCare Health Maintenance Organizations.**

Public Comment:
Joanne Haggerty from HealthNet, and Jane Fronk of Pacificare gave a brief overview of the situation and the plan responses.

Action: None.

061599-16 **Discussion and possible action regarding plans of Mayor's Office relating to health care.**

Public Comment: None.

Action: Continue to July meeting.

061599-17 **Other Business**
This item is designed to allow the opportunity to calendar items for future meetings.

Public Comment:
Commissioner Zvanski, calendared discussion of non-Medicare eligible members for July meeting.

061599-18 **Public Comment on Any Matter within the Board's Jurisdiction.**

Public Comment:
Tito Rael, Real & Letson.
Mike Kramer, Towers Perrin.
Jackie Grove, HCE.
Dr. Zheng, Acuplan.

ADJOURNMENT
1:35 PM

CASH BASIS REPORT ON CITY PLAN 1

Experience from July 1, 1998 through June 1999

	Fiscal Year to Date			June, 1999		
	Contributions	Claims	Loss Ratio	Contributions	Claims	Loss Ratio
Medical						
Active employees	$ 21,671,879	$ 23,459,477	108%	$ 2,398,321	$ 2,415,805	101%
Retirees w/o Medicare	7,583,773	8,452,557	111%	668,856	813,946	122%
Retirees w/ Medicare	5,621,148	4,941,877	88%	451,729	493,709	109%
Adult dep. w/o Medicare	9,834,702	10,473,609	106%	1,036,365	952,928	92%
Adult dep. w/ Medicare	984,023	901,054	92%	80,858	85,482	106%
Minor dependents	3,870,717	5,015,771	130%	412,489	1,025,285	249%
Subtotal	$ 49,566,242	$ 53,244,345	107%	$ 5,048,618	$ 5,787,155	115%
Prescription Drugs						
Active employees*	$ 6,652,923	$ 7,592,034	114%	$ 732,856	$ 693,088	95%
Retirees w/o Medicare*	2,098,508	2,588,392	123%	184,245	258,136	140%
Retirees w/ Medicare*	7,529,081	7,868,003	105%	609,731	776,210	127%
Subtotal	$ 16,280,512	$ 18,048,429	111%	$ 1,526,832	$ 1,727,434	113%
Vision						
Active employees*	$ 621,344	$ 463,337	75%	$ 68,221	$ 43,952	64%
Retirees w/o Medicare*	107,974	73,392	68%	9,386	6,320	67%
Retirees w/ Medicare*	341,421	207,729	61%	27,515	21,163	77%
Subtotal	$ 1,070,739	$ 744,458	70%	$ 105,122	$ 71,435	68%

CASH BASIS REPORT ON CITY PLAN 1

Experience from July 1, 1998 through June 1999

All Coverages	Fiscal Year to Date Contributions	Claims	Loss Ratio	June, 1999 Contributions	Claims	Loss Ratio
Active employees	$ 28,946,146	$ 31,514,848	109%	$ 3,199,398	$ 3,152,845	99%
Retirees w/o Medicare	9,790,255	11,114,341	114%	862,487	1,078,402	125%
Retirees w/ Medicare	13,491,650	13,017,609	96%	1,088,975	1,291,082	119%
Adult dep. w/o Medicare	9,834,702	10,473,609	106%	1,036,365	952,928	92%
Adult dep. w/ Medicare	984,023	901,054	92%	80,858	85,482	106%
Minor dependents	3,870,717	5,015,771	130%	412,489	1,025,285	249%
Subtotal	$ 66,917,493	$ 72,037,232	108%	$ 6,680,572	$ 7,586,024	114%

* Includes dependents

CASH BASIS REPORT ON CITY PLAN 1

Experience from July 1, 1998 through June 1999

	Contributions by Month				Claims by Month			
	Medical	Drug	Vision	Total	Medical	Drug	Vision	Total
July, 1998	$ 4,221,737	$ 1,522,526	$ 98,201	$ 5,842,464	$ 3,955,626	$ 1,313,573	$ 91,918	$ 5,361,117
August	3,794,070	1,280,876	82,717	5,157,663	4,856,093	1,248,472	61,624	6,166,189
September	3,826,597	1,289,967	83,292	5,199,856	4,274,354	1,276,276	63,459	5,614,089
October	3,826,646	1,288,875	83,139	5,198,660	4,886,631	1,299,449	67,793	6,253,873
November	3,940,485	1,314,717	85,218	5,340,420	3,472,148	1,962,878	53,162	5,488,188
December	5,127,386	1,556,669	107,499	6,791,554	4,293,573	1,194,971	59,989	5,548,533
January, 1999	3,807,157	1,226,499	81,438	5,115,094	3,762,695	1,348,721	46,389	5,157,805
February	3,805,605	1,281,704	82,748	5,170,057	3,964,623	1,412,042	50,044	5,426,709
March	4,306,238	1,389,617	91,992	5,787,847	5,355,729	2,128,702	50,044	7,534,475
April	3,932,666	1,303,809	85,022	5,321,497	4,337,991	1,510,979	57,166	5,906,136
May	3,929,037	1,298,421	84,351	5,311,809	4,297,727	1,624,932	71,435	5,994,094
June	5,048,618	1,526,832	105,122	6,680,572	5,787,155	1,727,434	71,435	7,586,024

SF
H35
#2
7/8/99
SPECIAL APPEALS

HEALTH SERVICE SYSTEM
A DIVISION OF THE DEPARTMENT OF HUMAN RESOURCES
CITY AND COUNTY OF SAN FRANCISCO

SCOTT HELDFOND
PRESIDENT

CLAIRE ZVANSKI
VICE PRESIDENT

JAMES DEIGNAN
COMMISSIONER

JEAN FRASER
COMMISSIONER

LESLIE KATZ
COMMISSIONER

HARRY PARETCHAN
COMMISSIONER

MELISSA WELCH, M.D.
COMMISSIONER

SPECIAL APPEALS MEETING OF THE HEALTH SERVICE BOARD

Thursday, July 8, 1999
1:00 PM

1155 Market Street, 4th Floor Conference Room
San Francisco, CA 94103

AGENDA

DOCUMENTS DEPT.

JUN 28 1999

SAN FRANCISCO
PUBLIC LIBRARY

CALL TO ORDER

ROLL CALL

President Heldfond
Vice President Zvanski
Commissioner Deignan
Commissioner Fraser
Commissioner Katz
Commissioner Paretchan
Commissioner Welch

APPEALS

070899-01 **Public Comment on All Matters Pertaining to the Closed Session.**

Public Comment:

070899-02 **Closed Session Pursuant to Government Code Section 54956.9(b)(3)(B) and San Francisco Administrative Code Section 67.11(b)(2).**

CONSIDERATION OF APPEALS PURSUANT TO SECTION 12.200(5) OF THE CHARTER OF THE CITY AND COUNTY OF SAN FRANCISCO

A. Appeal of Denial to Add Baby Born Over 90 Days Ago.
(HSS # 37084)

Staff Recommendation: Uphold the denial of the Appeal.

Member Comment:

Board Action:

B. Appeal of Denial for Exercise Equipment and Supplies As Not a Covered Benefit of the Health Plan.
(HSS # 94812)

Staff Recommendation: Uphold the denial of the Appeal.

Member Comment:

Board Action:

070899-03 Reconvene in Open Session

(A) Possible report on action taken in closed session. (Government Code Section 54957.1(a)(2) and San Francisco Administrative Code section 67.14(b)(2).)

(B) Vote to elect whether to disclose any or all discussion held in Closed Session (San Francisco Administrative Code section 67.14(a).

Public Comment:

Action:

070899-04 Public Consent on Any Matter within the Board's Jurisdiction.

Public Comment:

ADJOURNMENT

HEALTH SERVICE BOARD

July 8, 1999

The Minutes of the special appeals meeting are missing.

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HEALTH SERVICE SYSTEM
A DIVISION OF THE DEPARTMENT OF HUMAN RESOURCES
CITY AND COUNTY OF SAN FRANCISCO

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7/8/99
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COMMISSIONER

LESLIE KATZ
COMMISSIONER

HARRY PARETCHAN
COMMISSIONER

MELISSA WELCH, M.D.
COMMISSIONER

REGULAR MEETING OF THE HEALTH SERVICE BOARD

Thursday, July 8, 1999
2:00 PM

1155 Market Street, 4th Floor Conference Room
San Francisco, CA 94103

AGENDA

06-28-99P01:07 RCVD
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JUN 28 1999
SAN FRANCISCO
PUBLIC LIBRARY

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

President Heldfond
Vice President Zvanski
Commissioner Deignan
Commissioner Fraser
Commissioner Katz
Commissioner Paretchan
Commissioner Welch

APPROVAL OF MINUTES:

Amendments to Minutes of Regular Meeting of March 11, 1999.

Public Comment:

Action:

070899-01 **Discussion and possible adoption of changes to Health Service System rules relating to conducting upcoming meetings.**

Public Comment:

Action:

070899-02 **Report of Deputy Director of Human Resources.**

- Medical Claims.
- Partial Payment Reconciliation.
- Open Enrollment Update.
- MEA Open Enrollment.
- Status of Board of Supervisors' approval of rates.
- Express Scripts conference.
- Local 21 Grievance.

070899-03 **Financial Reports**

a. Report by Towers Perrin.
b. Report by Health Service System staff.

070899-04 **Discussion and possible action on the Health Service System Budget for fiscal year 1999/2000.**

Public Comment:

Action:

070899-05 **Discussion and possible action regarding Open Enrollment expenses.**

Public Comment:

Action:

070899-06 **Resolutions of Appreciation to:**

a. Dr. Sidney Foster.
b. Health Care Evaluation, Inc.
c. Rael & Letson, Actuaries & Benefit Consultants.

Public Comment:

Action:

070899-07 **Discussion and possible action on proposed changes to Health Service System rules regarding enrollment of new babies.**

Public Comment:

Action:

070899-08 **Discussion and possible action regarding the August 1999 meeting.**

Public Comment:

Action:

070899-09 **Discussion and possible action regarding Health Service Board's participation in certain public hearings and communications as well as screening panels pursuant to Requests for Proposals.**

Public Comment:

Action:

070899-10 **Discussion and possible action regarding the chemical rehabilitation benefit and the contract with United Behavioral Health.**

Public Comment:

Action:

070899-11 **Discussion and possible action regarding plans of Mayor's Office relating to health care.**

Public Comment:

Action:

070899-12 **Discussion and possible action regarding non-Medicare eligible members.**

Public Comment:

Action:

070899-13 **Possible Closed Session.**

a. Public comment on all matters pertaining to the closed session.
b. Vote on whether to hold closed session to confer with legal counsel. (San Francisco Administrative Code section 67.11(a).)
c. Closed session pursuant to Government Code section 54956.9(b)(3)(B) and San Francisco Administrative code section 67.11(b)(2).

CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Number of cases: 1

City and County of San Francisco as Defendant

Facts and circumstances indicating significant exposure to litigation: Threatened litigation by retiree group.

d. Reconvene in Open Session:

(A) Possible report on action taken in closed session. (Government Code section 54957.1(a)(2) and San Francisco Administrative Code section 67.14(b)(2).)

(B) Vote to elect whether to disclose any or all discussions held in closed session (San Francisco Administrative Code section 67.24(a).

070899-14 **Other Business**
This item is designed to allow the opportunity to calendar items for future meetings and to permit public comment on any matter within the jurisdiction of the Health Service Board.

Public Comment:

ADJOURNMENT

DOCUMENTS DEPT.

SEP 16 1999

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HEALTH SERVICE SYSTEM
A DIVISION OF THE DEPARTMENT OF HUMAN RESOURCES
CITY AND COUNTY OF SAN FRANCISCO

SCOTT HELDFOND
PRESIDENT

CLAIRE ZVANSKI
VICE PRESIDENT

JAMES DEIGNAN
COMMISSIONER

JEAN FRASER
COMMISSIONER

LESLIE KATZ
COMMISSIONER

HARRY PARETCHAN
COMMISSIONER

MELISSA WELCH, M.D.
COMMISSIONER

REGULAR MEETING OF THE HEALTH SERVICE BOARD

Thursday, July 8, 1999
2:00 PM

1155 Market Street, 4th Floor Conference Room
San Francisco, CA 94103

MINUTES

CALL TO ORDER
2:00 P.M.

PLEDGE OF ALLEGIANCE

ROLL CALL

President Heldfond - Present
Vice President Zvanski - Present
Commissioner Deignan - Present
Commissioner Fraser - Present
Commissioner Katz - Excused
Commissioner Paretchan - Present
Commissioner Welch – Present (Departed at 3:27 P.M.)

APPROVAL OF MINUTES:

Amendments to Minutes of Regular Meeting of March 11, 1999.

Public Comment: None.

Action: Moved and seconded to approve amended minutes. Motion passed (6-0).

070899-01 **Discussion and possible adoption of changes to Health Service System rules relating to conducting upcoming meetings.**

Staff Recommendation: Approve changes to HSS rules for conducting upcoming meetings.

Public Comment: Jean Thomas, Retiree Association.

Action: Moved and seconded to adopt the rules as amended. Motion passed (6-0).

070899-02 **Report of Deputy Director of Human Resources.**

- Medical Claims.
  Claims for this year have surpassed those from last year.
- Partial Payment Reconciliation.
  There is $900,000 outstanding.
- Open Enrollment Update.
  Approximately 10,000 members were served in person.
- MEA Open Enrollment.
  The tentative date is August 2-13. There will be various sites for member appointment.
- Status of Board of Supervisors' approval of rates.
  Approval of the rates has now been finalized.
- Express Scripts conference.
  The conference was June 29-30.
- Local 21 Grievance.
  HSS is in the process of scheduling a closed session.

Public Comment: None.

070899-03 **Financial Reports**

a. Report by Towers Perrin (Mike Kramer and Roland Mittica).
b. Report by Health Service System staff (Patricia Wu).

Public Comment: Nancy Gin, Retiree Association.

070899-04 **Discussion and possible action on the Health Service System Budget for fiscal year 1999/2000.**

Public Comment: Jean Thomas, Retiree Association.

Action: None.

070899-05 **Discussion and possible action regarding Open Enrollment expenses.**

Public Comment: Bob Pardini, Retiree Association.

Action: None.

070899-06 **Resolutions of Appreciation to:**

a. Dr. Sidney Foster.
b. Health Care Evaluation, Inc.
c. Rael & Letson, Actuaries & Benefit Consultants.

Public Comment: None.

Action: Continued to August meeting.

070899-07 **Discussion and possible action on proposed changes to Health Service System rules regarding enrollment of newborn babies and adoptees.**

Staff Recommendation: Approve changes to HSS rules regarding enrollment of newborn babies and adoptees.

Public Comment: None.

Action: Moved and seconded to accept the proposed changes to the rules. Motion passed (5-0).

070899-08 **Discussion and possible action regarding the August 1999 meeting.**

Staff Recommendation: Authorize staff to schedule next Health Service Board meeting for September 9, 1999.

Public Comment: None.

Action: Moved and seconded to have the next HSB meeting on August 12 at 2:00. Motion passed (5-0).

070899-09 **Discussion and possible action regarding Health Service Board's participation in certain public hearings and communications as well as screening panels pursuant to Requests for Proposals.**

Public Comment: None.

Action: Item will be removed from agendas.

070899-10 **Discussion and possible action regarding the chemical rehabilitation benefit and the contract with United Behavioral Health.**

Staff Recommendation: Since UBH has declined to negotiate a case rate, authorize staff to negotiate with the alternative proposer to reach satisfactory contract rate.

Public Comment: Diana Favassa, United Behavioral Health.
Barbara Brewer, PacifiCare Behavioral Health.

Action: Board directed staff to negotiate contract with UBH as last, best, and final offer.

070899-11 **Discussion and possible action regarding plans of Mayor's Office relating to health care.**

Public Comment: None.

Action: Item will be removed from the agenda.

070899-12 **Discussion and possible action regarding non-Medicare eligible members.**

Public Comment: Leslie Gill, Kaiser.
Joanne Haggerty, PacifiCare.
Roland Mittica, Towers Perrin.
Bob Pardini, Retiree Association.

Action: Moved and seconded to give Health Services the power to negotiate the logistics with Kaiser. Motion passed (5-0).

070899-13 **Possible Closed Session.**

a. Public comment on all matters pertaining to the closed session.

Public Comment: None.

b. Vote on whether to hold closed session to confer with legal counsel. (San Francisco Administrative Code section 67.11(a).)

Action: Moved and seconded to hold closed session. Motion passed (5-0).

c. Closed session pursuant to Government Code section 54956.9(b)(3)(B) and San Francisco Administrative code section 67.11(b)(2).

Public Comment: Bart Duncan, City Attorney.

CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Number of cases: 1

City and County of San Francisco as Defendant

Facts and circumstances indicating significant exposure to litigation: Threatened litigation by retiree group.

d. Reconvene in Open Session:

(A) Possible report on action taken in closed session. (Government Code section 54957.1(a)(2) and San Francisco Administrative Code section 67.14(b)(2).)

(B) Vote to elect whether to disclose any or all discussions held in closed session (San Francisco Administrative Code section 67.24(a).

Action: Moved and seconded not to disclose discussions held in closed session. Motion passed (5-0).

070899-14 **Other Business**
This item is designed to allow the opportunity to calendar items for future meetings and to permit public comment on any matter within the jurisdiction of the Health Service Board.

Public Comment: Shirley Barrisoni, Retiree.
Jean Thomas, Retiree Association.
Nancy Gin, Retiree Association.
Bob Pardini, Retiree Association.
Bernard Crotty, Retiree.

ADJOURNMENT
5:12 P.M.

HEALTH SERVICE SYSTEM
A DIVISION OF THE DEPARTMENT OF HUMAN RESOURCES
CITY AND COUNTY OF SAN FRANCISCO

SCOTT HELDFOND
PRESIDENT

CLAIRE ZVANSKI
VICE PRESIDENT

JAMES DEIGNAN
COMMISSIONER

JEAN FRASER
COMMISSIONER

LESLIE KATZ
COMMISSIONER

HARRY PARETCHAN
COMMISSIONER

MELISSA WELCH, M.D.
COMMISSIONER

SPECIAL MEETING OF THE HEALTH SERVICE BOARD

Thursday, August 12, 1999
1:30 PM

1155 Market Street, 4th Floor Conference Room
San Francisco, CA 94103

AGENDA

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CALL TO ORDER

ROLL CALL

President Heldfond
Vice President Zvanski
Commissioner Deignan
Commissioner Fraser
Commissioner Katz
Commissioner Paretchan
Commissioner Welch

APPROVAL OF MINUTES:

Minutes of Special Appeals Meeting of June 15, 1999

APPEALS

081299-01 **Public Comment on All Matters Pertaining to the Closed Session.**

Public Comment:

081299-02 **Closed Session Pursuant to Government Code Section 54956.9(b)(3)(B) and San Francisco Administrative Code Section 67.11(b)(2).**

CONSIDERATION OF APPEALS PURSUANT TO SECTION 12.200(5) OF THE CHARTER OF THE CITY AND COUNTY OF SAN FRANCISCO

A. **Appeal of Denial for continued treatment of IV clindamycin for the diagnosis of rheumatoid arthritis which is still considered to be in the investigational stage of study.**

(HSS # 97847-01)

Staff Recommendation: Uphold the denial of the Appeal.

Member Comment:

Board Action:

081299-03 **Reconvene in Open Session**

(A) Possible report on action taken in closed session. (Government Code Section 54957.1(a)(2) and San Francisco Administrative Code section 67.14(b)(2).)

(B) Vote to elect whether to disclose any or all discussion held in Closed Session (San Francisco Administrative Code section 67.14(a).

Public Comment:

Action:

081299-04 **Public Consent on Any Matter within the Board's Jurisdiction.**

Public Comment:

081299-05 **Possible Closed Session.**

a. Public comment on all matters pertaining to the closed session.
b. Vote on whether to hold closed session to confer with legal counsel. (San Francisco Administrative Code section 67.11(a).)
c. Closed session pursuant to Government Code section 54956.9(b)(3)(B) and San Francisco Administrative code section 67.11)b)(2).

CONFER WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Number of case(s): 2

1) Local 21: Litigation
2) Kaiser: Claim for alleged past due charges

d. Reconvene in Open Session:

(A) Possible report on action taken in closed session. (Government Code Section 54957.1(a)(2) and San Francisco Administrative Code section 67.14(b)(2).)

(B) Vote to elect whether to disclose any or all discussions held in closed session (San Francisco Administrative Code section 67.24(a).

ADJOURNMENT

ACCESSIBLE MEETING POLICY

The meeting will be held at 1155 Market St., 4th Floor. The closest accessible BART station is located at Market St./Civic Center. Accessible MUNI lines serving this location are J, K, L, M, 6, 7, 8 and 21. For information about MUNI accessible services call 923-6142.

There is accessible parking available at the following locations:

Market and 8th Streets.

Accessible seating for persons with disabilities (including those using wheelchairs) will be available.

The following services are available upon request:

- American sign language interpreters will be available upon request.
- A sound enhancement system will be available upon request at the meeting.
- Minutes of the meeting or hearing are available in alternative formats.

If you require the use of any of these services, please contact Mila A. Palarca at (415) 554-1737 at least 72 hours prior to the meeting.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City accommodate these individuals.

KNOW YOUR RIGHTS UNDER THE SUNSHINE ORDINANCE

(Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decisions in full view of the public.

Commissions, Boards, Councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

FOR MORE INFORMATION ON YOUR RIGHTS UNDER THE SUNSHINE ORDINANCE OR TO REPORT A VIOLATION O F THE ORDINANCE, CONTACT THE SUNSHINE ORDINANCE TASK FORCE AT 554-6075.

HEALTH SERVICE BOARD

August 12, 1999

The Minutes of the special meeting are missing.

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HEALTH SERVICE SYSTEM
A DIVISION OF THE DEPARTMENT OF HUMAN RESOURCES
CITY AND COUNTY OF SAN FRANCISCO

SCOTT HELDFOND
PRESIDENT

CLAIRE ZVANSKI
VICE PRESIDENT

JAMES DEIGNAN
COMMISSIONER

JEAN FRASER
COMMISSIONER

LESLIE KATZ
COMMISSIONER

HARRY PARETCHAN
COMMISSIONER

MELISSA WELCH, M.D.
COMMISSIONER

REGULAR MEETING OF THE HEALTH SERVICE BOARD

Thursday, August 12, 1999
2:00 PM

1155 Market Street, 4th Floor Conference Room
San Francisco, CA 94103

AGENDA

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

President Heldfond
Vice President Zvanski
Commissioner Deignan
Commissioner Fraser
Commissioner Katz
Commissioner Paretchan
Commissioner Welch

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PUBLIC LIBRARY

APPROVAL OF MINUTES:

Minutes of Regular Meeting of June 15, 1999.
Minutes of Regular Meeting of July 8, 1999

Public Comment:

Action:

081299-01 **Report of Deputy Director of Human Resources.**

- Status of Medical Claims For Current Plan Year.
- Partial Payment Reconciliation.
- Health Net's Tuolumne County Network
- Open Enrollment Summary
- Out-of-area Enrollment - Kaiser
- MEA Open Enrollment

081299-02 **Financial Reports**

a. Report by Towers Perrin.
b. Report by Health Service System staff.

Staff Recommendation: Accept the financial report from Towers Perrin and Health Service staff.

Public Comment:

Action:

081299-03 **Resolutions of Appreciation to:**

a. Dr. Sidney Foster.
b. Health Care Evaluation, Inc.
c. Rael & Letson, Actuaries & Benefit Consultants.

Public Comment:

Action:

081299-04 **Discussion and possible action regarding the Beech Street PPO Directory.**

Staff Recommendation: Direct staff to make directories available upon request and distribute Beech Street toll-free number.

Public Comment:

Action:

081299-05 **Discussion and possible action regarding whether to offer Short Term Disability Coverage for the 2000-2001 plan year.**

Staff Recommendation: If the Health Service Board feels that Short Term Disability should be offered, direct staff to prepare RFP.

Public Comment:

Action:

081299-06 **Discussion and possible action regarding third-party coverage for Long Term Care.**

Staff Recommendation: Direct staff to prepare an RFP for Long Term Care.

Public Comment:

Action:

081299-07 **Discussion and possible action regarding Health Service Board Travel Budget for FY 1999/2000.**

Staff Recommendation: Direct staff to allocate up to $4,285.71 per Health Service Board member for travel/training in FY 1999/2000, consistent with CCSF policies relating to training/travel.

Public Comment:

Action:

081299-08 **Discussion and possible action regarding Health Service Board Rules and Regulations changes.**

Staff Recommendation: Direct staff to calendar on a regular basis the changes to the Rules and Regulations of the Health Service System.

Public Comment:

Action:

ADJOURNMENT

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HEALTH SERVICE SYSTEM
A DIVISION OF THE DEPARTMENT OF HUMAN RESOURCES
CITY AND COUNTY OF SAN FRANCISCO

2/99

SCOTT HELDFOND
PRESIDENT

CLAIRE ZVANSKI
VICE PRESIDENT

JAMES DEIGNAN
COMMISSIONER

JEAN FRASER
COMMISSIONER

LESLIE KATZ
COMMISSIONER

HARRY PARETCHAN
COMMISSIONER

MELISSA WELCH, M.D.
COMMISSIONER

REGULAR MEETING OF THE HEALTH SERVICE BOARD

Thursday, August 12, 1999
2:00 PM

1155 Market Street, 4th Floor Conference Room
San Francisco, CA 94103

MINUTES

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CALL TO ORDER
2:39 PM

PLEDGE OF ALLEGIANCE

ROLL CALL

President Heldfond - Excused
Vice President Zvanski - Present
Commissioner Deignan - Present
Commissioner Fraser – Present (departed at 5:25 PM)
Commissioner Katz - Excused
Commissioner Paretchan - Present
Commissioner Welch - Present

APPROVAL OF MINUTES:

Minutes of Regular Meeting of June 15, 1999.
Minutes of Regular Meeting of July 8, 1999

Public Comment: None

Action: Moved and seconded to approve the minutes as amended.
Motion passed (5-0).

081299-01 **Report of Deputy Director of Human Resources.**

- Status of Medical Claims For Current Plan Year
  24,000 claims with a 16 day turnaround.
- Partial Payment Reconciliation.
  $800,000 outstanding.
- Health Net's Tuolumne County Network
  Letter has been sent to members who are affected.
- Open Enrollment Summary
- Out-of-area Enrollment – Kaiser
  There will be more information at the next meeting.
- Flexible Benefits Program Open Enrollment
  Open Enrollment started on August 2 and continues through August 21.

081299-02 **Financial Reports**

a. Report by Towers Perrin.
   Roland Mittica and Michael Cramer, HSB Actuary
b. Report by Health Service System staff.
   Patricia Wu, HSS Financial Analyst

Staff Recommendation: Accept the financial report from Towers Perrin and Health Service staff.

Public Comment: Dennis Kruger, CCSF Firefighter Association
John Lehane, CCSF Police Retiree Association
Diane Hermann, CCSF Retiree Association
Jean Thomas, CCSF Retiree Association
(neutral)

Action: Moved and seconded to accept the financial reports. Motion passed (4-0, Fraser absent from the room).

081299-03 **Resolutions of Appreciation to:**

a. Dr. Sidney Foster.
b. Health Care Evaluation, Inc.
c. Rael & Letson, Actuaries & Benefit Consultants.

Public Comment: None.

Action: Moved and seconded to approve the resolutions as modified. Motion Passed (5-0).

081299-04 **Discussion and possible action regarding the Beech Street PPO Directory.**

Staff Recommendation: Direct staff to make directories available upon request and distribute Beech Street toll-free number.

Public Comment: Diane Herman, CCSF Retiree Association
John Lehane, CCSF Retiree
Nancy Gin, CCSF Retiree Association
(supported staff recommendation)

Action: Moved and seconded to send a postcard out to Plan 1 members giving the various options of how to get information about the provider network and to publish the same information on the front of *Total Wellness.* Motion passed (5-0).

081299-05 **Discussion and possible action regarding whether to offer Short Term Disability Coverage for the 2000-2001 plan year.**

Staff Recommendation: If the Health Service Board feels that Short Term Disability should be offered, direct staff to prepare RFP.

Public Comment: Doug Puffenbarger, Colonial
Manny Rosales, Colonial
Colonial representatives asked to have the item continued to the next meeting.

Action: Continued to next meeting.

081299-06 **Discussion and possible action regarding third-party coverage for Long Term Care.**

Staff Recommendation: Direct staff to prepare an RFP for Long Term Care.

Public Comment: Diane Hermann, Retiree Association
Jean Thomas, Retiree Association
Manny Rosales, Colonial
(supported)

Action: Continued to the September meeting. Staff will provide a comparison of benefits and costs between various LTC offerings.

081299-07 **Discussion and possible action regarding Health Service Board Travel Budget for FY 1999/2000.**

Staff Recommendation: Direct staff to allocate up to $4,285.71 per Health Service Board member for travel/ training in FY 1999/2000, consistent with CCSF policies relating to travel/training.

Public Comment: Nancy Gin, Retiree Association (neutral)

Action: Moved and seconded to allocate up to $4,285.71 per board member. Motion passed (4-0, Fraser absent from the room).

081299-08 **Discussion and possible action regarding Health Service Board Rules and Regulations changes.**

Staff Recommendation: Direct staff to calendar on a regular basis the changes to the Rules and Regulations of the Health Service System for the purpose of amendment.

Public Comment: None

Action: None

081299-09 **Other Business**
This item is designed to allow the opportunity to calendar items for future meetings.

Public Comment: Calendered for September meeting:
- Report on HSS contracts
- Final reconciliation on OE costs
- Report on the contract status of Colonial
- Report on Supervisor's resolution regarding Harvey Rose
- Report on the status of Kaiser's out-of-area members

081299-10 **Public Comment on any matters within the Board's jurisdiction.**

Public Comment: Nancy Gin, Retiree Association
Diane Hermann, Retiree Association

ADJOURNMENT
5:49 PM

CASH BASIS REPORT ON CITY PLAN 1

Experience from July 1, 1999 through August 31, 1999

	Fiscal Year to Date			August, 1999		
	Contributions	Claims	Loss Ratio	Contributions	Claims	Loss Ratio
Medical						
Active employees	$ 1,344,110	$ 3,679,210	274%	$ 683,589	$ 1,838,511	269%
Retirees w/o Medicare	738,872	951,191	129%	373,826	464,535	124%
Retirees w/ Medicare	156,764	661,462	422%	88,333	318,325	360%
Adult dep. w/o Medicare	626,605	1,380,467	220%	321,533	638,189	198%
Adult dep. w/ Medicare	21,631	118,534	548%	10,307	57,990	563%
Minor dependents	214,839	604,516	281%	112,448	379,570	338%
Subtotal	$ 3,102,821	$ 7,395,380	238%	$ 1,590,037	$ 3,697,119	233%
Prescription Drugs						
Active employees*	$ 437,966	$ 808,091	185%	$ 223,789	$ 177,680	79%
Retirees w/o Medicare*	243,715	296,963	122%	124,627	87,616	70%
Retirees w/ Medicare*	812,898	989,027	122%	443,760	292,623	66%
Subtotal	$ 1,494,579	$ 2,094,081	140%	$ 792,176	$ 557,919	70%
Vision						
Active employees*	$ 40,291	$ 71,458	177%	$ 20,627	$ 35,729	173%
Retirees w/o Medicare*	11,547	14,460	125%	5,870	7,230	123%
Retirees w/ Medicare*	42,292	30,530	72%	23,018	15,265	66%
Subtotal	$ 94,131	$ 116,448	124%	$ 49,514	$ 58,224	118%

CASH BASIS REPORT ON CITY PLAN 1

Experience from July 1, 1999 through August 31, 1999

	Fiscal Year to Date			August, 1999		
	Contributions	Claims	Loss Ratio	Contributions	Claims	Loss Ratio
All Coverages						
Active employees	$ 1,822,367	$ 4,558,759	250%	$ 928,005	$ 2,051,920	221%
Retirees w/o Medicare	994,135	1,262,614	127%	504,324	559,381	111%
Retirees w/ Medicare	1,011,955	1,681,018	166%	555,110	626,213	113%
Adult dep. w/o Medicare	626,605	1,380,467	220%	321,533	638,189	198%
Adult dep. w/ Medicare	21,631	118,534	548%	10,307	57,990	563%
Minor dependents	214,839	604,516	281%	112,448	379,570	338%
Subtotal	$ 4,691,531	$ 9,605,909	205%	$ 2,431,727	$ 4,313,262	177%

* Includes dependents

CASH BASIS REPORT ON CITY PLAN 1

Experience from July 1, 1998 through August 31, 1999

	Contributions by Month				Claims by Month			
	Medical	Drug	Vision	Total	Medical	Drug	Vision	Total
July, 1998	$ 4,221,737	$ 1,522,526	$ 98,201	$ 5,842,464	$ 3,955,626	$ 1,313,573	$ 91,918	$ 5,361,117
August	3,794,070	1,280,876	82,717	5,157,663	4,856,093	1,248,472	61,624	6,166,189
September	3,826,597	1,289,967	83,292	5,199,856	4,274,354	1,276,276	63,459	5,614,089
October	3,826,646	1,288,875	83,139	5,198,660	4,886,631	1,299,449	67,793	6,253,873
November	3,940,485	1,314,717	85,218	5,340,420	3,472,148	1,962,878	53,162	5,488,188
December	5,127,386	1,556,669	107,499	6,791,554	4,293,573	1,194,971	59,989	5,548,533
January, 1999	3,807,157	1,226,499	81,438	5,115,094	3,762,695	1,348,721	46,389	5,157,805
February	3,805,605	1,281,704	82,748	5,170,057	3,964,623	1,412,042	50,044	5,426,709
March	4,306,238	1,389,617	91,992	5,787,847	5,355,729	2,128,702	50,044	7,534,475
April	3,932,666	1,303,809	85,022	5,321,497	4,337,991	1,510,979	57,166	5,906,136
May	3,929,037	1,298,421	84,351	5,311,809	4,297,727	1,624,932	71,435	5,994,094
June	5,048,618	1,526,832	105,122	6,680,572	5,787,155	1,727,434	71,435	7,586,024
July, 1999	$ 1,512,784	$ 702,402	$ 44,617	$ 2,259,804	$ 3,698,261	$ 1,536,162	$ 58,224	$ 5,292,646
August	1,590,037	792,176	49,514	2,431,727	3,697,119	557,919	58,224	4,313,262

CITY AND COUNTY OF SAN FRANCISCO

Utilization Characteristics of Plan 1 Disenrollees

	Entire Group	Disenrollees	Remaining Group
Enrollment			
Active Employees			
Number	8,845	4,881	3,964
Percent of Entire Group		55%	45%
Dependents of Active Employees			
Number	7,473	4,745	2,728
Percent of Entire Group		63%	37%
Retirees			
Number	7,794	1,539	6,255
Percent of Entire Group		20%	80%
Dependents of Retirees			
Number	2,178	503	1,675
Percent of Entire Group		23%	77%
Total			
Number	26,290	11,669	14,624
Percent of Entire Group		44%	56%
Family Size			
Actives	1.84	1.97	1.69
Retirees	1.28	1.33	1.27

CITY AND COUNTY OF SAN FRANCISCO

Utilization Characteristics of Plan 1 Disenrollees

	Entire Group	Disenrollees	Remaining Group
1998-99 Claims			
Active Employee			
Medical	$ 4,290,656	$ 1,441,008	$ 2,849,649
Hospital	11,584,888	3,464,722	8,120,167
Surgical	4,613,047	1,590,507	3,022,539
Other	15,179,288	5,058,384	10,120,905
Total	$ 35,667,879	$ 11,554,620	$ 24,113,259
Percent of Entire Group		32%	68%
Retired Employee			
Medical	$ 2,074,604	$ 370,926	$ 1,703,677
Hospital	6,927,208	1,026,201	5,901,007
Surgical	2,136,134	410,678	1,725,456
Other	6,337,121	1,229,209	5,107,912
Total	$ 17,475,067	$ 3,037,014	$ 14,438,053
Percent of Entire Group		17%	83%
Dependents			
Medical	$ 3,621,307	$ 1,204,692	$ 2,416,615
Hospital	10,040,009	3,363,040	6,676,969
Surgical	3,027,569	946,750	2,080,819
Other	8,403,757	2,540,967	5,862,790
Total	$ 25,092,642	$ 8,055,449	$ 17,037,193
Percent of Entire Group		32%	68%
Total			
Medical	$ 9,986,566	$ 3,016,625	$ 6,969,941
Hospital	28,552,105	7,853,963	20,698,142
Surgical	9,776,750	2,947,935	6,828,815
Other	29,920,166	8,828,560	21,091,607
Total	$ 78,235,588	$ 22,647,083	$ 55,588,505
Percent of Entire Group		29%	71%

CITY AND COUNTY OF SAN FRANCISCO

Utilization Characteristics of Plan 1 Disenrollees

	Entire Group	Disenrollees	Remaining Group
1998-99 Claims Per Capita			
Active Employee			
Medical	$ 485	$ 295	$ 719
Hospital	1,310	710	2,048
Surgical	522	326	762
Other	1,716	1,036	2,553
Total	$ 4,033	$ 2,367	$ 6,083
Percent of Entire Group		59%	151%
Retired Employee			
Medical	$ 266	$ 241	$ 272
Hospital	889	667	943
Surgical	274	267	276
Other	813	799	817
Total	$ 2,242	$ 1,973	$ 2,308
Percent of Entire Group		88%	103%
Dependents			
Medical	$ 375	$ 230	$ 549
Hospital	1,040	641	1,516
Surgical	314	180	473
Other	871	484	1,332
Total	$ 2,600	$ 1,535	$ 3,869
Percent of Entire Group		59%	149%
Total			
Medical	$ 380	$ 259	$ 477
Hospital	1,086	673	1,415
Surgical	372	253	467
Other	1,138	757	1,442
Total	$ 2,976	$ 1,941	$ 3,801
Percent of Entire Group		65%	128%

CITY AND COUNTY OF SAN FRANCISCO

Utilization Characteristics of Plan 1 Disenrollees

	Entire Group	Disenrollees	Remaining Group
1998-99 Claims Per Employee/Retiree			
Active Employee + Dependents (estimated)			
Medical	$ 802	$ 518	$ 1,097
Hospital	2,189	1,333	3,092
Surgical	787	501	1,088
Other	2,452	1,507	3,470
Total	$ 6,229	$ 3,859	$ 8,746
Percent of Entire Group		62%	140%
Retiree + Dependents (estimated)			
Medical	$ 371	$ 316	$ 419
Hospital	1,179	876	1,349
Surgical	362	326	402
Other	1,056	957	1,173
Total	$ 2,969	$ 2,475	$ 3,344
Percent of Entire Group		83%	113%
Total			
Medical	$ 600	$ 470	$ 682
Hospital	1,716	1,223	2,025
Surgical	588	459	668
Other	1,798	1,375	2,064
Total	$ 4,702	$ 3,528	$ 5,440
Percent of Entire Group		75%	116%

CITY AND COUNTY OF SAN FRANCISCO

Estimated Status of Reserve for Claims Incurred but Unpaid

(in millions)	Medical	Pharmacy	Dental	Total
Reserve as of June 30, 1998				
Per KPMG audit	$ 13.6	$ 1.3	$ 2.4	$ 17.3
Reserve as of June 30, 1999				
Towers Perrin estimate	$ 14.0	N/A	N/A	N/A
Estimated reserve increase from June 30, 1998	$ 0.4	N/A	N/A	N/A
Reserve as of August 31, 1999				
Towers Perrin estimate for June 30, 1999	$ 14.0	N/A	N/A	N/A
Less: Runout claims paid since June 30, 1999	(7.7)	N/A	N/A	N/A
Estimated remaining reserve for claims incurred before July 1, 1999	$ 6.3	N/A	N/A	N/A
Claims incurred and paid since July 1, 1999	(0.0)	N/A	N/A	N/A
Estimated reserve for claims incurred since July 1, 1999*	3.6	N/A	N/A	N/A
Estimated total reserve as of August 31, 1999	$ 9.9	N/A	N/A	N/A
Estimated change in reserve since June 30, 1999	(4.1)	N/A	N/A	N/A

* Calculated as follows:

Contributions received since July 1, 1999	$ 3.1	N/A	N/A	N/A
Expected loss ratio based on utilization predictions	1.16	N/A	N/A	N/A
Estimated reserve for claims incurred since July 1, 1999	$ 3.6	N/A	N/A	N/A

HEALTH SERVICE SYSTEM
A DIVISION OF THE DEPARTMENT OF HUMAN RESOURCES
CITY AND COUNTY OF SAN FRANCISCO

SCOTT HELDFOND
PRESIDENT

CLAIRE ZVANSKI
VICE PRESIDENT

JAMES DEIGNAN
COMMISSIONER

JEAN FRASER
COMMISSIONER

LESLIE KATZ
COMMISSIONER

HARRY PARETCHAN
COMMISSIONER

MELISSA WELCH, M.D.
COMMISSIONER

REGULAR MEETING OF THE HEALTH SERVICE BOARD

Thursday, September 9, 1999
2:00 PM

1155 Market Street, 4th Floor Conference Room
San Francisco, CA 94103

AGENDA

DOCUMENTS DEPT.

SEP 0 9 1999

SAN FRANCISCO
PUBLIC LIBRARY

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

President Heldfond
Vice President Zvanski
Commissioner Deignan
Commissioner Fraser
Commissioner Katz
Commissioner Paretchan
Commissioner Welch

APPROVAL OF MINUTES:

Minutes of Regular Meeting of August 12, 1999.

Public Comment:

Action:

090999-01 **Report of Deputy Director of Human Resources.**

- Vancouver Conference
- Status of information regarding PPO
- Status of Medical Claims For Current Plan Year
- Partial Payment Reconciliation
- Flexible Benefits Program Open Enrollment
- PPO directory distribution
- Distribution of information regarding medical reimbursement and Dependent Day Care accounts
- Charter amendment

090999-02 **Presentation of, discussion of, and possible action on, financial reports, including a FY 1999/2000 Trust Fund Budget.**

a. Report by Towers Perrin.
b. Report by Health Service System staff.
c. Presentation of FY 99/200 Trust Fund Budget

Staff Recommendation: Adopt the FY 99/2000 Trust Fund Budget as proposed.

Public Comment:

Action:

090999-03 **DHR Presentation on DHR plans for 1145 Market**

Public Comment:

Action:

090999-04 **Presentation by Pharmacy.com of Express Scripts.**

Public Comment:

090999-05 **Presentation of, discussion of, and possible action on status of completion of FY 99/2000 Health Service contracts.**

Staff Recommendation: Accept the contract report from the Health Service Staff.

Public Comment:

Action:

090999-06 **Discussion and possible action regarding out-of-area members enrolled in HMO's.**
Staff Recommendation: Accept the Kaiser OOA report.

Public Comment:

Action:

090999-07 **Discussion and possible action regarding the final accounting for FY 1999/2000 Open Enrollment costs.**
Staff Recommendation: Accept the final accounting from Health Service Staff and take possible action.

Public Comment:

Action:

090999-08 **Discussion and possible Action on the Short Term Disability benefit and Colonial's current product.**

Public Comment:

Action:

090999-09 **Discussion and possible action on the Board of Supervisor's resolution urging an audit by the Board's budget analyst.**

Public Comment:

Action:

090999-10 **Discussion and possible action regarding Health Service Board Rules and Regulations.**

Public Comment:

Action:

090999-11 **Discussion and possible action regarding RFP's for Medical Claims Audit and Prescription Drug Audit.**

Public Comment:

Action:

090999-12 **Other Business:**
This item is designed to allow the opportunity to calendar items for future meetings.

090999-01 **Report of Deputy Director of Human Resources.**

- Vancouver Conference
- Status of information regarding PPO
- Status of Medical Claims For Current Plan Year
- Partial Payment Reconciliation
- Flexible Benefits Program Open Enrollment
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- Charter amendment

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a. Report by Towers Perrin.
b. Report by Health Service System staff.
c. Presentation of FY 99/200 Trust Fund Budget

Staff Recommendation: Adopt the FY 99/2000 Trust Fund Budget as proposed.

Public Comment:

Action:

090999-03 **DHR Presentation on DHR plans for 1145 Market**

Public Comment:

Action:

090999-04 **Presentation by Pharmacy.com of Express Scripts.**

Public Comment:

090999-05 **Presentation of, discussion of, and possible action on status of completion of FY 99/2000 Health Service contracts.**
Staff Recommendation: Accept the contract report from the Health Service Staff.

Public Comment:

Action:

090999-06 **Discussion and possible action regarding out-of-area members enrolled in HMO's.**
Staff Recommendation: Accept the Kaiser OOA report.

Public Comment:

Action:

090999-07 **Discussion and possible action regarding the final accounting for FY 1999/2000 Open Enrollment costs.**
Staff Recommendation: Accept the final accounting from Health Service Staff and take possible action.

Public Comment:

Action:

090999-08 **Discussion and possible Action on the Short Term Disability benefit and Colonial's current product.**

Public Comment:

Action:

090999-09 **Discussion and possible action on the Board of Supervisor's resolution urging an audit by the Board's budget analyst.**

Public Comment:

Action:

090999-10 **Discussion and possible action regarding Health Service Board Rules and Regulations.**

Public Comment:

Action:

090999-11 **Discussion and possible action regarding RFP's for Medical Claims Audit and Prescription Drug Audit.**

Public Comment:

Action:

090999-12 **Other Business:**
This item is designed to allow the opportunity to calendar items for future meetings.

090999-13 **Public comment on any matters within the Board's jurisdiction.**

Public Comment:

ADJOURNMENT

HEALTH SERVICE SYSTEM
A DIVISION OF THE DEPARTMENT OF HUMAN RESOURCES
CITY AND COUNTY OF SAN FRANCISCO

1/9/99

SCOTT HELDFOND
PRESIDENT

CLAIRE ZVANSKI
VICE PRESIDENT

JAMES DEIGNAN
COMMISSIONER

JEAN FRASER
COMMISSIONER

LESLIE KATZ
COMMISSIONER

HARRY PARETCHAN
COMMISSIONER

MELISSA WELCH, M.D.
COMMISSIONER

REGULAR MEETING OF THE HEALTH SERVICE BOARD

Thursday, September 9, 1999
2:00 PM

1155 Market Street, 4th Floor Conference Room
San Francisco, CA 94103

MINUTES

DOCUMENTS DEPT.
NOV 0 1 1999
SAN FRANCISCO
PUBLIC LIBRARY

CALL TO ORDER
2:05 PM

PLEDGE OF ALLEGIANCE

ROLL CALL

President Heldfond - Present
Vice President Zvanski - Present
Commissioner Deignan - Present
Commissioner Fraser – Present
Commissioner Katz - Excused
Commissioner Paretchan - Present
Commissioner Welch - Present (arrived at 2:15 PM)

APPROVAL OF MINUTES:

Minutes of Regular Meeting of August 12, 1999.

Public Comment: None

Action: Moved and seconded to approve the minutes as amended. Motion passed (5-0).

090999-01 **Report of Deputy Director of Human Resources.**

- Vancouver Conference -
  Ann Sommercamp and Patricia Wu attended the August 8th-11th IFEBP conference.

- PPO Directory Distribution -
  Mr. Rob Leadbeater distributed Exhibits 'A' and 'A-1' which will be mailed to Plan 1 members in September.

- Status of Medical Claims for Current Plan Year -
  There are 24,893 claims on hand with 19.41 days turnaround (Exhibit 'B').

- Partial Payment Reconciliation -
  $616,635 remains to be collected; the staff is working with the City Attorney's office to proceed with the collections.

- Flexible Benefits Program Open Enrollment -
  Staff is finishing up Open Enrollment. Benefits are effective October 1st.

- Distribution of information regarding Medical Reimbursement and Dependent Day Care accounts -
  Staff will request that Fringe Benefits Management Company send reimbursement forms and information to participants.

- Charter Amendment -
  The retirees are drafting a Charter Amendment, and the Mayor has asked for an amendment to be put together.

090999-02 **Presentation of, discussion of, and possible action on, financial Reports, including a FY 1999/2000 Trust Fund Budget.**

a. Report by Towers Perrin.
   Roland Mittica, Consultant, and Michael Kramer, HSB Actuary (Exhibits 'C-1', 'C-2', and 'C-3').

b. Report by Health Service System staff. The quarterly financial report will be presented next month.

c. Discussion of the trust fund budget draft.

   Speaker: Bernard Crotty (neutral)

   Action: Moved and seconded to accept the financial reports. Motion passed (6-0).

090999-03 **DHR Presentation on plans for 1145 Market location.**
Speaker: Michelle Modena, Deputy Director, Administration (Exhibit 'D').

Public Comment: None

Action: None.

090999-04 **Presentation by Pharmacy.com, Express Scripts. (Exhibit 'E')**

Public Comment: None.

Action: None.

090999-05 **Presentation of, discussion of, and possible action on status of completion of FY 99/2000 Health Service contracts. (Exhibit 'F')**

Public Comment: None.

Action: None.

090999-06 **Discussion and possible action regarding out-of-area members enrolled in HMO's.**

Speakers: Dee Shaw, Kaiser, Director of Major Accounts
Lisa Ferreira, Kaiser, Medicare Consultant
Laritza Larreta-Moylan, Kaiser, Director of Product Development
Julianne Collins, Kaiser, Acting Account Manager

Public Comment: Anthony Sacco (neutral)

Action: Moved and seconded to assess penalty effective July 1, 1999 per the HSS rule but reserving the right to retroactively collect beyond July 1, 1999 (Exhibit 'G').

There will be a special meeting on the 30th of September.

090999-07 **Discussion and possible action regarding the final accounting for FY 1999/2000 Open Enrollment costs.**

Public Comment: None.

Action: Moved and seconded to accept report. (Exhibit 'H') Motion passed (6-0).

090999-08 **Discussion and possible action on the Short-Term Disability benefit and Colonial's current product.**

Speaker: Manny Rosales, Colonial

Public Comment: None.

Action: None.

090999-09 **Discussion and possible action on the Board of Supervisor's resolution urging an audit by the Board's budget analyst.**

Public Comment: Jean Thomas (in favor), Exhibit 'I'.

Action: None

090999-10 **Discussion and possible action regarding Health Service Board Rules and Regulations.**

Public Comment: None.

Action: None.

090999-11 **Discussion and possible action regarding RFP's for Medical Claims Audit and Prescription Drug Audit.**

Public Comment: None.

Action: Moved and seconded to approve RFP's with funding from the Trust Fund. Motion passed (6-0) Exhibits 'J-1' and 'J-2'.

090999-12 **Other Business:**
This item is designed to allow the opportunity to calendar items for future meetings.

- HSB meeting options
- Legality of reimbursing members living out-of-the-area for health coverage.
- Impact of Non-Medicare members

090999-13 **Public comment on any matters within the Board's jurisdiction.**

Public Comment: None.

ADJOURNMENT
5:53 PM

Consultant's Report

September 9, 1999 Meeting of the Health Service Board

- **Transition and Data Collection Activities Currently Underway**
  - — HSS Data Request and System Reports
  - — Vendor Reports

- **Financial Results for August**
  - — Loss Ratios
  - — Reserves

- **Plan 1 Disenrollment**
  - — Utilization Analysis

CASH BASIS REPORT ON CITY PLAN 1

Experience from July 1, 1999 through August 31, 1999

	Fiscal Year to Date			August, 1999		
	Contributions	Claims	Loss Ratio	Contributions	Claims	Loss Ratio
Medical						
Active employees	$ 1,344,110	$ 3,679,210	274%	$ 683,589	$ 1,838,511	269%
Retirees w/o Medicare	738,872	951,191	129%	373,826	464,535	124%
Retirees w/ Medicare	156,764	661,462	422%	88,333	318,325	360%
Adult dep. w/o Medicare	626,605	1,380,467	220%	321,533	638,189	198%
Adult dep. w/ Medicare	21,631	118,534	548%	10,307	57,990	563%
Minor dependents	214,839	604,516	281%	112,448	379,570	338%
Subtotal	$ 3,102,821	$ 7,395,380	238%	$ 1,590,037	$ 3,697,119	233%
Prescription Drugs						
Active employees*	$ 437,966	$ 808,091	185%	$ 223,789	$ 177,680	79%
Retirees w/o Medicare*	243,715	296,963	122%	124,627	87,616	70%
Retirees w/ Medicare*	812,898	989,027	122%	443,760	292,623	66%
Subtotal	$ 1,494,579	$ 2,094,081	140%	$ 792,176	$ 557,919	70%
Vision						
Active employees*	$ 40,291	$ 71,458	177%	$ 20,627	$ 35,729	173%
Retirees w/o Medicare*	11,547	14,460	125%	5,870	7,230	123%
Retirees w/ Medicare*	42,292	30,530	72%	23,018	15,265	66%
Subtotal	$ 94,131	$ 116,448	124%	$ 49,514	$ 58,224	118%

CASH BASIS REPORT ON CITY PLAN 1

Experience from July 1, 1999 through August 31, 1999

	Fiscal Year to Date			August, 1999		
	Contributions	Claims	Loss Ratio	Contributions	Claims	Loss Ratio
All Coverages						
Active employees	$ 1,822,367	$ 4,558,759	250%	$ 928,005	$ 2,051,920	221%
Retirees w/o Medicare	994,135	1,262,614	127%	504,324	559,381	111%
Retirees w/ Medicare	1,011,955	1,681,018	166%	555,110	626,213	113%
Adult dep. w/o Medicare	626,605	1,380,467	220%	321,533	638,189	198%
Adult dep. w/ Medicare	21,631	118,534	548%	10,307	57,990	563%
Minor dependents	214,839	604,516	281%	112,448	379,570	338%
Subtotal	$ 4,691,531	$ 9,605,909	205%	$ 2,431,727	$ 4,313,262	177%

* Includes dependents

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CASH BASIS REPORT ON CITY PLAN 1

Experience from July 1, 1998 through August 31, 1999

	Contributions by Month				Claims by Month			
	Medical	Drug	Vision	Total	Medical	Drug	Vision	Total
July, 1998	$ 4,221,737	$ 1,522,526	$ 98,201	$ 5,842,464	$ 3,955,626	$ 1,313,573	$ 91,918	$ 5,361,117
August	3,794,070	1,280,876	82,717	5,157,663	4,856,093	1,248,472	61,624	6,166,189
September	3,826,597	1,289,967	83,292	5,199,856	4,274,354	1,276,276	63,459	5,614,089
October	3,826,646	1,288,875	83,139	5,198,660	4,886,631	1,299,449	67,793	6,253,873
November	3,940,485	1,314,717	85,218	5,340,420	3,472,148	1,962,878	53,162	5,488,188
December	5,127,386	1,556,669	107,499	6,791,554	4,293,573	1,194,971	59,989	5,548,533
January, 1999	3,807,157	1,226,499	81,438	5,115,094	3,762,695	1,348,721	46,389	5,157,805
February	3,805,605	1,281,704	82,748	5,170,057	3,964,623	1,412,042	50,044	5,426,709
March	4,306,238	1,389,617	91,992	5,787,847	5,355,729	2,128,702	50,044	7,534,475
April	3,932,666	1,303,809	85,022	5,321,497	4,337,991	1,510,979	57,166	5,906,136
May	3,929,037	1,298,421	84,351	5,311,809	4,297,727	1,624,932	71,435	5,994,094
June	5,048,618	1,526,832	105,122	6,680,572	5,787,155	1,727,434	71,435	7,586,024
July, 1999	$ 1,512,784	$ 702,402	$ 44,617	$ 2,259,804	$ 3,698,261	$ 1,536,162	$ 58,224	$ 5,292,646
August	1,590,037	792,176	49,514	2,431,727	3,697,119	557,919	58,224	4,313,262

CITY AND COUNTY OF SAN FRANCISCO

Estimated Status of Reserve for Claims Incurred but Unpaid

(in millions)	Medical	Pharmacy	Dental	Total
Reserve as of June 30, 1998				
Per KPMG audit	$ 13.6	$ 1.3	$ 2.4	$ 17.3
Reserve as of June 30, 1999				
Towers Perrin estimate	$ 14.0	N/A	N/A	N/A
Estimated reserve increase from June 30, 1998	$ 0.4	N/A	N/A	N/A
Reserve as of August 31, 1999				
Towers Perrin estimate for June 30, 1999	$ 14.0	N/A	N/A	N/A
Less: Runout claims paid since June 30, 1999	(7.7)	N/A	N/A	N/A
Estimated remaining reserve for claims incurred before July 1, 1999	$ 6.3	N/A	N/A	N/A
Claims incurred and paid since July 1, 1999	(0.0)	N/A	N/A	N/A
Estimated reserve for claims incurred since July 1, 1999*	3.6	N/A	N/A	N/A
Estimated total reserve as of August 31, 1999	$ 9.9	N/A	N/A	N/A
Estimated change in reserve since June 30, 1999	(4.1)	N/A	N/A	N/A

* Calculated as follows:

Contributions received since July 1, 1999	$ 3.1	N/A	N/A	N/A
Expected loss ratio based on utilization predictions	1.16	N/A	N/A	N/A
Estimated reserve for claims incurred since July 1, 1999	$ 3.6	N/A	N/A	N/A

HEALTH SERVICE SYSTEM
A DIVISION OF THE DEPARTMENT OF HUMAN RESOURCES
CITY AND COUNTY OF SAN FRANCISCO

SCOTT HELDFOND
PRESIDENT

/99
a)

CLAIRE ZVANSKI
VICE PRESIDENT

JAMES DEIGNAN
COMMISSIONER

JEAN FRASER
COMMISSIONER

LESLIE KATZ
COMMISSIONER

IARRY PARETCHAN
COMMISSIONER

ELISSA WELCH, M.D.
COMMISSIONER

SPECIAL MEETING
OF THE HEALTH SERVICE BOARD

Thursday, September 30, 1999
10:00 AM

1155 Market Street, 4th Floor Conference Room
San Francisco, CA 94103

AGENDA

DOCUMENTS DEPT.

SEP 2 4 1999

SAN FRANCISCO
PUBLIC LIBRARY

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

President Heldfond
Vice President Zvanski
Commissioner Deignan
Commissioner Fraser
Commissioner Katz
Commissioner Paretchan
Commissioner Welch

093099-01 **Discussion and possible action regarding out-of-area members enrolled in HMO's.**

Public Comment:

Action:

093099-02 **Discussion and possible action regarding the failure of some retired HSS members to either assign Medicare benefits to the applicable health plan or apply for/continue Medicare Part A&B.**

Public Comment:

Action:

093099-03 **Other Business:**
This item is designed to allow the opportunity to calendar items for future meetings.

093099-04 **Public comment on any matters within the Board's jurisdiction.**

Public Comment:

ADJOURNMENT

HEALTH SERVICE SYSTEM
A DIVISION OF THE DEPARTMENT OF HUMAN RESOURCES
CITY AND COUNTY OF SAN FRANCISCO

SCOTT HELDFOND
PRESIDENT

CLAIRE ZVANSKI
VICE PRESIDENT

JAMES DEIGNAN
COMMISSIONER

JEAN FRASER
COMMISSIONER

LESLIE KATZ
COMMISSIONER

HARRY PARETCHAN
COMMISSIONER

MELISSA WELCH, M.D.
COMMISSIONER

SPECIAL MEETING OF THE HEALTH SERVICE BOARD

Thursday, September 30, 1999
10:00 AM

1155 Market Street, 4th Floor Conference Room
San Francisco, CA 94103

MINUTES

DOCUMENTS DEPT.
DEC 16 1999
SAN FRANCISCO
PUBLIC LIBRARY

CALL TO ORDER
10:10 AM

ROLL CALL

President Heldfond - Present
Vice President Zvanski - Present
Commissioner Deignan - Present
Commissioner Fraser – Present (arrived at 10:44 AM)
Commissioner Katz - Absent
Commissioner Paretchan - Present
Commissioner Welch - Present (arrived at 10:39 AM)

093099-01 **Discussion and possible action regarding out-of-area members enrolled in HMO's.**

Motion 1. Moved and seconded to send letter outlining options to affected Kaiser retiree participants. Motion passed 4-0.

Motion 2. Moved and seconded to reaffirm previous action related to interregional coverage. Motion passed 5-0.

Motion 3. Moved and seconded to notify Kaiser retirees outside the service area with an age-in spouse of the enrollment options and financial impact of the surcharge. Motion passed 4-1 (Fraser dissenting)

Motion 4. Moved and seconded to table previous motions and direct staff to cost out the financial implications of retroactivity. Motion passed 5-0.

Motion 5. Moved and seconded to carry agenda item forward to the Oct. 14th meeting. Motion passed 5-0.

Public Comment:
Roland Mittica, Towers Perrin (neutral)
Dee Shaw, Kaiser Permanente (neutral)
Lisa Ferreira, Kaiser Permanente (neutral)
Susan Rodriguez-Corns, HSS staff (neutral)
Franz Ockermann, Retiree (For)
Jean Thomas, Retiree (For)
Nancy Gin, Retiree (For)
Bob Pardini, Retiree (For)

093099-02 **Discussion and possible action regarding the failure of some retired HSS members to either assign Medicare benefits to the applicable health plan or apply for/continue Medicare Parts A&B.**

Public Comment: None.

Action: Agenda item to be carried to the October 14th Regular Meeting.

093099-03 **Other Business:**
This item is designed to allow the opportunity to calendar items for future meetings.

- Commissioner Fraser asked that Towers Perrin prepare a report for the next meeting outlining Plan 1 projected costs to project Plan 1's performance for FY 2000/01.

- Commissioner Paretchan ask that the KPMG auditors review the September 3, 1999 letter and determine which areas their audit will address.

093099-04 **Public comment on any matters within the Board's jurisdiction.**

Public Comment:

Nancy Gin, Retiree, asked that the Mayor's Charter Amendment be made available to the Health Service Board.

ADJOURNMENT
11:50 AM

HEALTH SERVICE SYSTEM
A DIVISION OF THE DEPARTMENT OF HUMAN RESOURCES
CITY AND COUNTY OF SAN FRANCISCO

25
2
10/14/99
Special Appeals

SCOTT HELDFOND
PRESIDENT

CLAIRE ZVANSKI
VICE PRESIDENT

JAMES DEIGNAN
COMMISSIONER

JEAN FRASER
COMMISSIONER

LESLIE KATZ
COMMISSIONER

HARRY PARETCHAN
COMMISSIONER

MELISSA WELCH, M.D.
COMMISSIONER

SPECIAL APPEALS MEETING OF THE HEALTH SERVICE BOARD

Thursday, October 14, 1999
10:30 A.M.

1155 Market Street, 4th Floor Conference Room
San Francisco, CA 94103

AGENDA

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CALL TO ORDER

ROLL CALL

President Heldfond
Vice President Zvanski
Commissioner Deignan
Commissioner Fraser
Commissioner Katz
Commissioner Paretchan
Commissioner Welch

APPROVAL OF MINUTES:

Minutes of Special Appeals Meeting of August 12, 1999

APPEALS

101499-01 **Public Comment of All Matters Pertaining to the Closed Session.**

Public Comment:

101499-02 **Closed Session Pursuant to Government Code Section 54956.9(b)(3)(B) and San Francisco Administrative Code Section 67.11(b)(2).**

CONSIDERATION OF APPEALS PURSUANT TO SECTION 12.200(5) OF THE CHARTER OF THE CITY AND COUNTY OF SAN FRANCISCO

A. **Appeal of Denial to make Medical Deductions on a Pre-tax basis. (HSS # 20280)**

Staff Recommendation: Uphold the denial of the appeal.

Member Comment:

Board Action:

B. **Appeal of Denial to Lift an exemption and to enroll in Kaiser. (HSS # 47606)**

Staff Recommendation: Uphold the denial of the appeal.

Member Comment:

Board Action:

C. **Appeal of Denial to Transfer Medical Plans. (HSS # 66448)**

Staff Recommendation: Uphold the denial of the appeal.

Member Comment:

Board Action:

101499-03 **Reconvene in open session:**

a) Possible report on action taken in closed session. (Government Code section 54957.1(a)(2) and San Francisco Administrative code section 67.14(b)(2).

Public Comment:

b) Vote to elect whether to disclose any or all discussions held in closed session (San Francisco Administrative Code section 67.14(a).)

Public Comment:

Action:

ADJOURNMENT:

ACCESSIBLE MEETING POLICY

The meeting will be held at 1155 Market St., 4th Floor. The closest accessible BART station is located at Market St./Civic Center. Accessible MUNI lines serving this location are J, K, L, M, 6, 7, 8 and 21. For information about MUNI accessible services call 923-6142.

There is accessible parking available at the following locations:

Market and 8th Streets.

Accessible seating for persons with disabilities (including those using wheelchairs) will be available.

The following services are available upon request:

- American sign language interpreters will be available upon request.
- A sound enhancement system will be available upon request at the meeting.
- Minutes of the meeting or hearing are available in alternative formats.

If you require the use of any of these services, please contact Mila A. Palarca at (415) 554-1737 at least 72 hours prior to the meeting.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City accommodate these individuals.

KNOW YOUR RIGHTS UNDER THE SUNSHINE ORDINANCE

(Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decisions in full view of the public.

Commissions, Boards, Councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

FOR MORE INFORMATION ON YOUR RIGHTS UNDER THE SUNSHINE ORDINANCE OR TO REPORT A VIOLATION O F THE ORDINANCE, CONTACT THE SUNSHINE ORDINANCE TASK FORCE AT 554-6075.

HEALTH SERVICE SYSTEM
A DIVISION OF THE DEPARTMENT OF HUMAN RESOURCES
CITY AND COUNTY OF SAN FRANCISCO

SCOTT HELDFOND
PRESIDENT

CLAIRE ZVANSKI
VICE PRESIDENT

JAMES DEIGNAN
COMMISSIONER

JEAN FRASER
COMMISSIONER

LESLIE KATZ
COMMISSIONER

HARRY PARETCHAN
COMMISSIONER

MELISSA WELCH, M.D.
COMMISSIONER

SPECIAL MEETING
OF THE HEALTH SERVICE BOARD

Thursday, October 14, 1999
11:00 A.M.

1155 Market Street, 4th Floor Conference Room
San Francisco, CA 94103

AGENDA

DOCUMENTS DEPT.
OCT 13 1999
SAN FRANCISCO
PUBLIC LIBRARY

CALL TO ORDER

ROLL CALL

President Heldfond
Vice President Zvanski
Commissioner Deignan
Commissioner Fraser
Commissioner Katz
Commissioner Paretchan
Commissioner Welch

101499CS-01 Vote on whether to hold closed session to confer with legal counsel.
(San Francisco Administrative Code section 67.11(a).)

Public Comment:

Action:

101499CS-02 Closed session pursuant to Government Code section 54956.9(b) and San Francisco Administrative Code section 67.11(b).

CONFERENCE WITH LEGAL COUNSEL: ANTICIPATED LITIGATION

Number of potential cases: 2

1) Local 21: Litigation
2. Kaiser: Claim for alleged past due charges

101499CS-03 Reconvene in open session:

a) Possible report on action taken in closed session. (Government Code section 54957.1(a)(2) and San Francisco Administrative code section 67.14(b)(2).

Public Comment:

b) Vote to elect whether to disclose any or all discussions held in closed session (San Francisco Administrative Code section 67.14(a).)

Public Comment:

Action:

ADJOURNMENT:

HEALTH SERVICE BOARD

October 14, 1999

The Minutes of the special and special appeals meetings are missing.

San Francisco Public Library
Government Information Center

HEALTH SERVICE SYSTEM
A DIVISION OF THE DEPARTMENT OF HUMAN RESOURCES
CITY AND COUNTY OF SAN FRANCISCO

SCOTT HELDFOND
PRESIDENT

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COMMISSIONER

HARRY PARETCHAN
COMMISSIONER

MELISSA WELCH, M.D.
COMMISSIONER

REGULAR MEETING OF THE HEALTH SERVICE BOARD

Thursday, October 14, 1999
12:00 Noon

1155 Market Street, 4th Floor Conference Room
San Francisco, CA 94103

AGENDA

DOCUMENTS DEPT.
OCT 13 1999
SAN FRANCISCO
PUBLIC LIBRARY

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

President Heldfond
Vice President Zvanski
Commissioner Deignan
Commissioner Fraser
Commissioner Katz
Commissioner Paretchan
Commissioner Welch

APPROVAL OF MINUTES:

Minutes of Regular Meeting of September 9, 1999.
Minutes of Special Meeting of September 30, 1999.

Public Comment:

Action:

101499-01 **Presentation of resolution of August 12, 1999, commending Dr. Sidney Foster.**

101499-02 **Discussion and possible action regarding commendation for Jose Velasco; HSS employee who retired after 15 years of dedicated service to HSS.**

Staff Recommendation:

Public Comment:

Action:

101499-03 **Report of Deputy Director of Human Resources.**

- Current Status of Medical Claims.
- Partial Payment Reconciliation.
- Open Enrollment Expenses.
- Update RFP - audits.
- Update on PPO Directory Notices.
- Status of Flexible Spending Account notices to Participants.
- Status of KPMG Audit.
- Strategic Planning meeting/preparing RFPs.
- Status of State bill to allow CALPERS to cover domestic partners.
- Status of review of CALPERS/alternatives long-term care insurance.
- Status of Health Net Provider Network in Tuolumne County.
- Status of HSS Charter amendment.

101499-04 **Financial Reports**

a. Report by Towers Perrin.
b. Report by Health Service System staff - monthly through renewals.

Staff Recommendation: Accept the financial report from Towers Perrin and Health Service staff.

Public Comment:

Action:

101499-05 **DHR Presentation on the PeopleSoft Project.**

Public Comment:

01499-06 **Discussion and possible action on Trust Fund Budget for 1999-2000 Fiscal Year.**

Staff Recommendation:

Public Comment:

Action:

101499-07 **Discussion and possible action regarding amending HSS rules to change day, time, and/or site of Health Service Board regular monthly meetings.**

Staff Recommendation:

Public Comment:

Action:

101499-08 **Discussion and possible action regarding changing the day, time, and/or place of the November regular meeting due to Veteran's Day holiday.**

Staff Recommendation:

Public Comment:

Action:

101499-09 **Discussion and possible action regarding status of completion of Health Service System contracts.**

Staff Recommendation:

Public Comment:

Action:

101499-10 **Discussion and possible action regarding out-of-area members enrolled in HMO's.**

Staff Recommendation:

Public Comment:

Action:

101499-11 **Discussion and possible action regarding the failure of some Retired HSS members to either assign Medicare benefits to the applicable health plan or apply for/continue Medicare Parts A&B.**

Staff Recommendation:

Public Comment:

Action:

101499-12 **Discussion and possible action regarding changes to Health Service Board Rules and Regulations.**

Staff Recommendation:

Public Comment:

Action:

101499-13 **Announcement by President of Establishment of Customer Service/Quality Assurance Task Force.**

101499-14 **Other Business:**
This item is designed to allow the opportunity to calendar items for future meetings.

101499-15 **Public comment on any matters within the Board's jurisdiction.**

ADJOURNMENT

HEALTH SERVICE SYSTEM
A DIVISION OF THE DEPARTMENT OF HUMAN RESOURCES
CITY AND COUNTY OF SAN FRANCISCO

/14/99

REGULAR MEETING
OF THE HEALTH SERVICE BOARD

Thursday, October 14, 1999
12:00 Noon

1155 Market Street, 4th Floor Conference Room
San Francisco, CA 94103

MINUTES

DOCUMENTS DEPT.

DEC 16 1999

SAN FRANCISCO
PUBLIC LIBRARY

SCOTT HELDFOND
PRESIDENT

CLAIRE ZVANSKI
VICE PRESIDENT

JAMES DEIGNAN
COMMISSIONER

JEAN FRASER
COMMISSIONER

LESLIE KATZ
COMMISSIONER

HARRY PARETCHAN
COMMISSIONER

MELISSA WELCH, M.D.
COMMISSIONER

CALL TO ORDER
12:05 PM

PLEDGE OF ALLEGIANCE

ROLL CALL

President Heldfond - Present
Vice President Zvanski - Present
Commissioner Deignan - Present
Commissioner Fraser – Present
Commissioner Katz - Absent
Commissioner Paretchan - Present
Commissioner Welch - Present

APPROVAL OF MINUTES:

Minutes of Regular Meeting of September 9, 1999.
Minutes of Special Meeting of September 30, 1999.

Public Comment: None

Action: Moved and seconded to approve the minutes of September 9, 1999 and to carry over the minutes of Special meeting of September 30, 1999 to the November meeting.

Motion passed (6-0).

101499-01 **Presentation of resolution of August 12, 1999, commending Dr. Sidney Foster.**

Commissioner Zvanski read the Mayor's resolution proclaiming October 14, 1999 as Dr. Sidney Foster Day.

101499-02 **Discussion and possible action regarding commendation for Jose Velasco, HSS employee who retired after 15 years of dedicated service to HSS.**

Public Comment: None.

Action: Moved and seconded to commend Jose Velasco, HSS employee, who retired after 15 years of service, for his dedicated service. Motion passed 6-0.

101499-03 **Report of Deputy Director of Human Resources.**

- **Current status of Medical Claims**
  There are 24,000 medical claims on hand with 21-day turnaround (Exhibit '1'). Several staff are absent due to surgeries, and a temp is being interviewed.

- **Partial Payment Reconciliation**
  Letters have been again issued to those providers with large account balances, and the project seems to be progressing well.

- **Open Enrollment Expenses**
  The KPMG audit is consuming all accounting staff's available time. Efforts will be made after the audit to research previous year's open enrollment expenditures.

- **Update Medical Claim/Prescription Drug audits**
  One proposal has been received, and two firms have declined to participate. Proposals are due Friday, October 15, 1999.

- **Update on PPO Directory Notices**
  Postcards have been mailed to all City Plan members in Northern California. A different card is being mailed to those members outside Northern California.

- **Status of Flexible Spending Account notices to participants**
  FBMC is mailing notices to all FSA participants (Exhibit '2').

- **Status of KPMG Audit**
  In process of completing annual audit. Everything is going smoothly.

- **Strategic Planning meeting/preparing RFPs**
  Staff will prepare RFP for issuance to firms capable of administering the indemnity plan. A Strategic Planning Meeting for FY2000-2001 will be scheduled.

- **Status of State Bill to allow CALPERS to cover domestic partners**
  The Governor signed a bill to allow benefits for same sex domestic partners and opposite sex benefits age 62 and beyond.

- **Status of review of CALPERS/alternatives long-term care insurance**
  CALPERS Long Term Care has mailed LTC literature to HSS members in the past. May & June 2000 will be next OE period. CALPERS will offer offer two lesser value plans for reduced cost.

- **Status of Health Net Provider Network in Tuolumne County**
  Official Health Net Notification of Services in Tuolumne County (Exhibit '3').

- **Status of HSS Charter Amendment**
  A meeting is scheduled for Friday, October 15, 1999.

101499-04 **Financial Reports.**

a. **Report by Towers Perrin**
   Roland Mittica, Consultant, and Michael Kramer, HSB Actuary (Exhibits '4' & '5' to '5-6').

b. **Report by Health Service System Staff**
   Patricia Wu, HSS Financial Analyst (Exhibits '6' & '7').

Public Comment: None.

Action: Moved and seconded to accept financial reports. Motion passed 6-0.

101499-05 **DHR Presentation on the PeopleSoft Project.**
Deputy Director, MIS, Ray Wong (Exhibit '8').

Public Comment: None.

101499-06 **Discussion and possible action on Trust Fund Budget for 1999 2000 Fiscal Year.**

The Trust Fund Budget Expenditures will be updated in the January 2000 financial report.

Public Comment: None.

Action: Moved and seconded to accept preliminary Trust Fund Budget for 1999/2000 Fiscal Year (Exhibit '9'). Motion passed 6-0.

101499-07 **Discussion and possible action regarding amending HSS rules to change day, time, and/or site of Health Service Board regular monthly meetings.**

Public Comment: Jean Thomas, Retiree (in favor)
Diane Hermann, Retiree (oppose)
John Lehane, Retiree (oppose)
Denis Kruger, Retiree (neutral)

Action: Motion was made to move Health Service Board regular meeting to City Hall, Room 416 on 2nd Thursday of each month (12:00 Noon - 4:00 PM) and Rates & Benefits Committee meeting on 2nd Monday in Room 400 (8:30 AM-12:00 Noon), starting December 1999.

Motion passed 4-2 (Zvanski, Paretchan).

101499-08 **Discussion and possible action regarding changing the day, time, and/or place of the November regular meeting due to Veteran's Day holiday.**

Public Comment: None.

Action: Moved and seconded to move the November Health Service Board meeting to Monday, November 22 at the Dept. of Public Health, 101 Grove Street, Room 300, starting at 1:00 PM (Exhibit '10')

Motion passed 6-0.

101499-09 **Discussion and possible action regarding status of completion of Health Service System contracts.**

Public Comment: None.

Action: Moved and seconded to accept staff report.
Motion passed 6-0. (Exhibit '11').

101499-10 **Discussion and possible action regarding out-of-area members enrolled in HMOs.**

HSS Breakdown of Kaiser Retirees (Exhibit '12').

a. 36 out-of-state enrollees who took no action (in Kaiser & Cost Plan) (4 - Hawaii & 9 -Oregon).

b. Cost Plan
   23 in state
   4 out of state

c. Open Enrollment activity
   33 Exempt status
   59 changed to Plan I
   10 Non Medicare on list
   3 special situations (Medicare subscriber with age-in spouse)

d. Towers Perrin estimated cost of premium for retroactivity is $40,000/mo x 4 months.

e. Commission Deignan made a motion:
Since some of the Kaiser retirees were wrongfully disenrolled and Kaiser failed to provide Health Services with accurate information, it is the obligation of Health Service Board to correctly advise these members on the following:
   - Kaiser should waive retroactive costs or absorb cost to reinstate.
   - If Kaiser refuses, Trust Fund monies should be used to cover this expense.
   - To notify members of their HSS obligation.
   - Previous five motions have been tabled.
   - Joint HSS/Kaiser Letter should be sent to each of the 92 members, explaining HCFA appeal rights, implications, options (Plan 1 or exempt status) as well as the possibility of HCFA approval of an appeal which would allow the member to re-enroll.
   - Out-of-state members need to be contacted to be contacted since after 12/31/99 there is no coverage.

- Direct City Attorney to research any avenue of possible litigation against Kaiser for the erroneous information, including filing a complaint with the Department of Corporation.

Public Comment: Dee Shaw, Kaiser (neutral)
Lisa Ferrari, Kaiser (neutral)

Action: Moved and seconded that motion be approved. Motion passed 5-1 (Welch)

101499-11 **Discussion and possible action regarding the failure of some retired HSS members to either assign Medicare benefits to the applicable health plans or apply for/continue Medicare Parts A&B.**

Public Comment: None.

Action: Item carried forward until HSS Rules and Regulations have been amended.

101499-12 **Discussion and possible action regarding changes to Health Service Board Rules and Regulations.**

Public Comment: Bob Pardini, Retiree (neutral)

Action: 1) There will be two Health Service Board committees:
Budget, Commissioner Zvanski, Chair
Rates & Benefits, Commissioner Welch, Chair

2) Rules & Regulations will now be handled by the full Board.

3) Appeals will be made to the full Health Service Board. First level administrative review will be make by the HSS staff. If appealed, appellant's case will be reviewed by full Board.

4) Moved and seconded to approve changes to the Health Service System Rules and Regulations (Exhibit '13'). Motion passed 6-0.

101499-13 **Announcement by President of Establishment of Customer Service/Quality Assurance Task Force.**

Commissioner Fraser, Chair.

Task Force Purpose: Address issues relating to all constituents

Task Force Purpose: Address issues relating to all constituents regarding meetings, produce top to bottom quality review with suggestions to the Health Service Board regarding access to Health Service System, benefit information, meetings, and open enrollment. Health Service Board ad hoc member of Task Force.

101499-14 **Other Business:**
This item is designed to allow the opportunity to calendar items for future meetings.

- Commissioner Paretchan discussed member problems with Express Scripts problems and that PCS cards still being accepted by some pharmacies. With the upcoming prescription drug audit, adjustments will be made.
- Bart Duncan requests that 50 extra copies of all handouts be made for each meeting so that there will be enough copies for the public.
- President Heldfond stated that starting with the December meeting, a standard agenda item would be for Reports from Rates & Benefits and Budget Committees.
- Commissioner Welch asked that agenda items and booklet tabs be consistent with inserts.
- Items for November meeting: Kaiser out-of-area as an action item. Express Script/PCS issues are being addressed by staff.
- City Attorney to review the issue of whether a member can abstain from voting.

Public Comment: John Lehane, Retiree (neutral)
Diane Hermann, Retiree (neutral)

101499-15 **Public comment on any matters within the Board's jurisdiction.**

Jean Thomas, Retiree
Diane Hermann, Retiree
Jane Fronk, Senior Account Manager, Kaiser
Dee Shaw, Director of Major Accounts, Kaiser
Pam Morton, Interim PacifiCare Account Manager
Dennis Kruger, Director, San Francisco Firefighters

ADJOURNMENT
3:13 PM

Consultant's Report

October 14, 1999 Meeting of the Health Service Board

- **Data Collection Activities Currently Underway**
  - — HSS Data Request and System Reports
  - — Vendor Reports

- **Financial Results for September**
  - — Loss Ratios
  - — Reserves
  - — Financial Status of the Trust

- **Plan 1 Disenrollment**
  - — Large Claim Analysis

CITY AND COUNTY OF SAN FRANCISCO

Cash Basis Experience from July 1, 1999 through September 30, 1999

	Fiscal Year to Date			September, 1999		
	Contributions	Claims	Loss Ratio	Contributions	Claims	Loss Ratio
Medical						
Active employees	$ 1,984,499	$ 4,541,250	229%	$ 640,389	$ 862,040	135%
Retirees w/o Medicare	1,115,870	1,343,537	120%	376,997	392,346	104%
Retirees w/ Medicare	232,644	970,616	417%	75,880	309,155	407%
Adult dep. w/o Medicare	926,114	1,726,934	186%	299,509	346,467	116%
Adult dep. w/ Medicare	32,390	148,760	459%	10,760	30,226	281%
Minor dependents	320,298	748,006	234%	105,460	143,490	136%
Subtotal	$ 4,611,815	$ 9,479,104	206%	$ 1,508,994	$ 2,083,724	138%
Prescription Drugs						
Active employees*	$ 648,779	$ 978,112	151%	$ 210,814	$ 170,020	81%
Retirees w/o Medicare*	369,535	331,574	90%	125,821	34,611	28%
Retirees w/ Medicare*	1,226,087	1,115,881	91%	413,189	126,855	31%
Subtotal	$ 2,244,402	$ 2,425,567	108%	$ 749,824	$ 331,486	44%
Vision						
Active employees*	$ 59,706	$ 107,187	180%	$ 19,415	$ 35,729	184%
Retirees w/o Medicare*	17,393	21,690	125%	5,845	7,230	124%
Retirees w/ Medicare*	63,796	45,795	72%	21,503	15,265	71%
Subtotal	$ 140,895	$ 174,672	124%	$ 46,764	$ 58,224	125%

(5)

CITY AND COUNTY OF SAN FRANCISCO

Cash Basis Experience from July 1, 1999 through September 30, 1999

All Coverages	Fiscal Year to Date Contributions	Claims	Loss Ratio	September, 1999 Contributions	Claims	Loss Ratio
Active employees	$ 2,692,985	$ 5,626,549	209%	$ 870,618	$ 1,067,789	123%
Retirees w/o Medicare	1,502,798	1,696,801	113%	508,663	434,186	85%
Retirees w/ Medicare	1,522,527	2,132,293	140%	510,572	451,275	88%
Adult dep. w/o Medicare	926,114	1,726,934	186%	299,509	346,467	116%
Adult dep. w/ Medicare	32,390	148,760	459%	10,760	30,226	281%
Minor dependents	320,298	748,006	234%	105,460	143,490	136%
Subtotal	$ 6,997,112	$ 12,079,343	173%	$ 2,305,582	$ 2,473,434	107%

* Includes dependents

CITY AND COUNTY OF SAN FRANCISCO

Cas Basis Experience from July 1, 1998 through September 30, 1999

	Contributions by Month				Claims by Month			
	Medical	Drug	Vision	Total	Medical	Drug	Vision	Total
July, 1998	$ 4,221,737	$ 1,522,526	$ 98,201	$ 5,842,464	$ 3,955,626	$ 1,313,573	$ 91,918	$ 5,361,117
August	3,794,070	1,280,876	82,717	5,157,663	4,856,093	1,248,472	61,624	6,166,189
September	3,826,597	1,289,967	83,292	5,199,856	4,274,354	1,276,276	63,459	5,614,089
October	3,826,646	1,288,875	83,139	5,198,660	4,886,631	1,299,449	67,793	6,253,873
November	3,940,485	1,314,717	85,218	5,340,420	3,472,148	1,962,878	53,162	5,488,188
December	5,127,386	1,556,669	107,499	6,791,554	4,293,573	1,194,971	59,989	5,548,533
January, 1999	3,807,157	1,226,499	81,438	5,115,094	3,762,695	1,348,721	46,389	5,157,805
February	3,805,605	1,281,704	82,748	5,170,057	3,964,623	1,412,042	50,044	5,426,709
March	4,306,238	1,389,617	91,992	5,787,847	5,355,729	2,128,702	50,044	7,534,475
April	3,932,666	1,303,809	85,022	5,321,497	4,337,991	1,510,979	57,166	5,906,136
May	3,929,037	1,298,421	84,351	5,311,809	4,297,727	1,624,932	71,435	5,994,094
June	5,048,618	1,526,832	105,122	6,680,572	5,787,155	1,727,434	71,435	7,586,024
July, 1999	$ 1,512,784	$ 702,402	$ 44,617	$ 2,259,804	$ 3,698,261	$ 1,536,162	$ 58,224	$ 5,292,646
August	1,590,037	792,176	49,514	2,431,727	3,697,119	557,919	58,224	4,313,262
September	1,508,994	749,824	46,764	2,305,582	2,083,724	331,486	58,224	2,473,434

CITY AND COUNTY OF SAN FRANCISCO

Estimated Status of Reserve for Claims Incurred but Unpaid

(in millions)	Medical	Pharmacy	Dental	Total
Reserve as of June 30, 1998				
Per KPMG audit	$ 13.6	$ 1.3	$ 2.4	$ 17.3
Reserve as of June 30, 1999				
Towers Perrin estimate	$ 14.0	$ 2.0	$ 2.6	$ 18.6
Estimated reserve increase from June 30, 1998	$ 0.4	$ 0.7	$ 0.2	$ 1.3
Reserve as of September 30, 1999				
Towers Perrin estimate for June 30, 1999	$ 14.0	$ 2.0	$ 2.6	$ 18.6
Less: Runout claims paid since June 30, 1999	(9.7)	N/A	N/A	N/A
Estimated remaining reserve for claims incurred before July 1, 1999	$ 4.3	N/A	N/A	N/A
Claims incurred and paid since July 1, 1999	(0.2)	N/A	N/A	N/A
Estimated claims incurred since July 1, 1999*	5.3	N/A	N/A	N/A
Estimated total reserve as of September 30, 1999	$ 9.4	N/A	N/A	N/A
Estimated change in reserve since June 30, 1999	(4.6)	N/A	N/A	N/A

* Calculated as follows:

Contributions received since July 1, 1999	$ 4.6	N/A	N/A	N/A
Expected loss ratio based on utilization predictions	1.16	N/A	N/A	N/A
Estimated reserve for claims incurred since July 1, 1999	$ 5.3	N/A	N/A	N/A

EXHIBIT '5-4'

CITY AND COUNTY OF SAN FRANCISCO

City Plan 1 Reserve (Medical Only)

Reserve Valuation as of: 06/30/1999
Using Data as of: 09/30/1999

		MONTH OF INCURRAL											
	MONTH	7	8	9	10	11	12	1	2	3	4	5	6
	YEAR	1998	1998	1998	1998	1998	1998	1999	1999	1999	1999	1999	1999
Paid	07/1998	3,218											
Month:	08/1998	691,099	9,255										
	09/1998	1,800,438	743,180	15,840									
	10/1998	718,361	2,034,705	1,019,636	12,194								
	11/1998	293,611	554,722	1,615,603	679,995	4,161							
	12/1998	181,187	322,135	889,797	1,805,658	672,019	812						
	01/1999	88,978	127,850	277,554	879,933	1,512,403	622,873	238					
	02/1999	81,812	109,007	158,358	300,422	950,810	1,785,722	558,142	2,481				
	03/1999	38,438	123,709	194,854	355,282	638,789	836,709	2,253,176	879,285	11,625			
	04/1999	54,146	54,194	81,233	101,478	232,023	314,803	750,714	1,633,432	984,553	4,857		
	05/1999	27,948	39,904	64,130	166,863	134,601	232,692	271,311	602,941	2,087,905	629,134	574	
	06/1999	31,832	40,428	70,801	79,459	124,422	208,613	331,138	346,926	915,575	2,480,764	1,061,873	2,745
	07/1999	103,113	15,358	71,609	44,994	29,819	50,490	186,611	220,144	199,907	556,814	1,556,375	823,176
	08/1999	0	86,320	11,066	21,432	27,091	39,382	107,389	59,207	171,425	285,851	898,361	2,120,901
	09/1999	0	0	118,784	19,930	13,897	34,054	59,544	67,913	85,061	143,920	320,463	1,132,865
	10/1999	0	0	0	0	0	0	0	0	0	0	0	0
	11/1999	0	0	0	0	0	0	0	0	0	0	0	0
	12/1999	0	0	0	0	0	0	0	0	0	0	0	0
	01/2000	0	0	0	0	0	0	0	0	0	0	0	0
	02/2000	0	0	0	0	0	0	0	0	0	0	0	0
	03/2000	0	0	0	0	0	0	0	0	0	0	0	0
	04/2000	0	0	0	0	0	0	0	0	0	0	0	0
	05/2000	0	0	0	0	0	0	0	0	0	0	0	0
	06/2000	0	0	0	0	0	0	0	0	0	0	0	0
	TOTAL PAID	4,114,182	4,260,767	4,589,267	4,467,640	4,340,035	4,126,150	4,518,264	3,812,328	4,456,051	4,101,341	3,837,646	4,079,686
	CUM % PAID	100.00%	100.00%	100.00%	96.73%	96.07%	95.23%	94.05%	92.64%	90.44%	87.23%	82.47%	75.13%
	TOTAL EXPECTED	4,114,182	4,260,767	4,589,267	4,618,469	4,517,436	4,332,919	4,804,136	4,115,140	4,926,860	4,701,733	4,653,643	5,430,247
	PAID AFTER 6/1999	103,113	101,678	201,460	86,357	70,807	123,926	353,544	347,263	456,393	986,585	2,775,199	4,076,941
												Last 12 mo:	9,683,267
	EXPECTED AFTER 9/1999	0	0	0	150,829	177,401	206,769	285,872	302,812	470,808	600,393	815,996	1,350,561
												Last 12 mo:	4,361,442
	IBNR	103,113	101,678	201,460	237,185	248,209	330,695	639,416	650,075	927,202	1,586,978	3,591,195	5,427,502
												IBNR:	14,044,709

CLAIMS PAID IN MEASUREMENT PERIOD (6/1998 BUT PRIOR TO 6/1999): 55,582,738 IBNR AS % OF CLAIMS: 25.27%

CITY AND COUNTY OF SAN FRANCISCO

Individuals with 1998-99 Claims Over $25,000

	Claimants Staying in Plan 1			Claimants Electing an HMO			All Large Claimants		
	Number	Total Paid	Average	Number	Total Paid	Average	Number	Total Paid	Average
Active Employees									
Active Employee	66	$ 4,517,000	$ 68,000	47	$ 2,020,000	$ 43,000	113	$ 6,537,000	$ 58,000
Adult Dependent of Employee	17	839,000	49,000	23	939,000	41,000	40	1,778,000	44,000
Minor Dependent	5	444,000	88,800	12	1,194,000	100,000	17	1,638,000	96,000
Subtotal	88	$ 5,800,000	$ 66,000	82	$ 4,153,000	$ 51,000	170	$ 9,953,000	$ 59,000
*Expected**	*72*	*$ 6,768,000*		*98*	*$ 3,185,000*				
Retirees									
Retiree	48	$ 2,576,000	$ 54,000	17	$ 878,000	$ 52,000	65	$ 3,454,000	$ 53,000
Adult Dependent of Retiree	25	1,245,000	50,000	6	232,000	39,000	31	1,477,000	48,000
Subtotal	73	$ 3,821,000	$ 52,000	23	$ 1,110,000	$ 48,000	96	$ 4,931,000	$ 51,000
*Expected**	*76*	*$ 3,871,000*		*20*	*$ 1,060,000*				
COBRA									
COBRA Participant	1	$ 29,000	$ 29,000	-	$0	$0	1	$ 29,000	$ 29,000
*Expected**	*0*	*$ 20,000*		*1*	*$ 9,000*				
Total									
Actual	162	$ 9,650,000	$ 60,000	105	$ 5,263,000	$ 50,000	267	$ 14,913,000	$ 56,000
*Expected**	*148*	*$ 10,659,000*		*118*	*$ 4,254,000*				
Percent of Large Claimants:									
Actual	61%	65%		39%	35%				
Expected	*55%*	*71%*		*44%*	*29%*				

* Expected split of large claimants and large claims based on utilization characteristics of all Plan 1 disenrollees.

CITY AND COUNTY OF SAN FRANCISCO

Financial Status of the Trust Fund and Reserves

	Assets	Reserves: Claims IBNR	Reserves: HMO Premiums Payable	Reserves: Unearned Contributions	Net Assets Available for Benefits
Fiscal Year 1997-98					
Balances, July 1, 1997[1]	$ 53.7	$ 12.7	$ 6.0	$ 5.3	$ 29.7
Results of Operations[1]	(1.5)	4.6	11.2	0.7	(18.0)
Expenses[1]	(1.2)				(1.2)
Investment Earnings[1]	2.2				2.2
Balances, July 1, 1998[1]	$ 53.2	$ 17.3	$ 17.2	$ 6.0	$ 12.7
Fiscal Year 1998-99 (estimated)					
Balances, July 1, 1998[1]	$ 53.2	$ 17.3	$ 17.2	$ 6.0	$ 12.7
Results of Operations[2]	(5.7)	1.3	(5.0)	2.7	(4.7)
Expenses[3]	(1.3)				(1.3)
Investment Earnings[2]	1.3				1.3
Balances, July 1, 1999[2,3]	$ 47.5	$ 18.6	$ 12.2	$ 8.7	$ 8.0
Fiscal Year 1999-2000 (projected)					
Balances, July 1, 1999[2,3]	$ 47.5	$ 18.6	$ 12.2	$ 8.7	$ 8.0
Results of Operations[3]	(9.6)	(6.0)	Unknown	Unknown	(3.6)
Expenses[3]	(1.5)				(1.5)
Investment Earnings[3]	1.7				1.7
Balances, July 1, 2000[3]	$ 38.1	$ 12.6	$ 12.2	$ 8.7	$ 4.6

Sources:
1. KPMG Audit Report -- 10/30/98
2. P. Wu estimates
3. Towers Perrin estimates / projections

HEALTH SERVICE SYSTEM
A DIVISION OF THE DEPARTMENT OF HUMAN RESOURCES
CITY AND COUNTY OF SAN FRANCISCO

SCOTT HELDFOND
PRESIDENT

CLAIRE ZVANSKI
VICE PRESIDENT

JAMES DEIGNAN
COMMISSIONER

JEAN FRASER
COMMISSIONER

LESLIE KATZ
COMMISSIONER

HARRY PARETCHAN
COMMISSIONER

MELISSA WELCH, M.D.
COMMISSIONER

SPECIAL APPEALS MEETING OF THE HEALTH SERVICE BOARD

Monday, November 22, 1999
12:00 NOON

101 Grove Street, Room 300
San Francisco, CA 94103

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AGENDA

CALL TO ORDER

ROLL CALL

President Heldfond
Vice President Zvanski
Commissioner Deignan
Commissioner Fraser
Commissioner Katz
Commissioner Paretchan
Commissioner Welch

APPROVAL OF MINUTES:

Minutes of Special Appeals Meeting of October 14, 1999.

ACCESSIBLE MEETING POLICY

The meeting will be held at 1155 Market St., 4th Floor. The closest accessible BART station is located at Market St./Civic Center. Accessible MUNI lines serving this location are J, K, L, M, 6, 7, 8 and 21. For information about MUNI accessible services call 923-6142.

There is accessible parking available at the following locations:

Market and 8th Streets.

Accessible seating for persons with disabilities (including those using wheelchairs) will be available.

The following services are available upon request:

- American sign language interpreters will be available upon request.
- A sound enhancement system will be available upon request at the meeting.
- Minutes of the meeting or hearing are available in alternative formats.

If you require the use of any of these services, please contact Mila A. Palarca at (415) 554-1737 at least 72 hours prior to the meeting.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City accommodate these individuals.

KNOW YOUR RIGHTS UNDER THE SUNSHINE ORDINANCE

(Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decisions in full view of the public.

Commissions, Boards, Councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

FOR MORE INFORMATION ON YOUR RIGHTS UNDER THE SUNSHINE ORDINANCE OR TO REPORT A VIOLATION O F THE ORDINANCE, CONTACT THE SUNSHINE ORDINANCE TASK FORCE AT 554-6075.

HEALTH SERVICE SYSTEM
A DIVISION OF THE DEPARTMENT OF HUMAN RESOURCES
CITY AND COUNTY OF SAN FRANCISCO

SCOTT HELDFOND
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CLAIRE ZVANSKI
VICE PRESIDENT

JAMES DEIGNAN
COMMISSIONER

JEAN FRASER
COMMISSIONER

LESLIE KATZ
COMMISSIONER

HARRY PARETCHAN
COMMISSIONER

MELISSA WELCH, M.D.
COMMISSIONER

SPECIAL MEETING
OF THE HEALTH SERVICE BOARD

Monday, November 22, 1999
12:30 P.M.

101 Grove Street, Room 300
San Francisco, CA 94103

AGENDA

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CALL TO ORDER

ROLL CALL

President Heldfond
Vice President Zvanski
Commissioner Deignan
Commissioner Fraser
Commissioner Katz
Commissioner Paretchan
Commissioner Welch

112299CS-01 **Vote on whether to hold closed session to confer with legal counsel.**
(San Francisco Administrative Code section 67.11(a).)

Public Comment:

Action:

112299CS-02 **Closed session pursuant to Government Code section 54956.9(b) and San Francisco Administrative Code section 67.11(b).**

CONFERENCE WITH LEGAL COUNSEL: ANTICIPATED LITIGATION

Number of potential cases: 2

1) Local 21: Litigation
2. Kaiser: Claim for alleged past due charges

112299CS-03 **Reconvene in open session:**

a) Possible report on action taken in closed session. (Government Code section 54957.1(a)(2) and San Francisco Administrative code section 67.14(b)(2).

Public Comment:

b) Vote to elect whether to disclose any or all discussions held in closed session (San Francisco Administrative Code section 67.14(a).)

Public Comment:

Action:

ADJOURNMENT:

HEALTH SERVICE BOARD

November 22, 1999

The Minutes of the special and special appeals meetings are missing.

San Francisco Public Library
Government Information Center

HEALTH SERVICE SYSTEM
A DIVISION OF THE DEPARTMENT OF HUMAN RESOURCES
CITY AND COUNTY OF SAN FRANCISCO

SCOTT HELDFOND
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COMMISSIONER

MELISSA WELCH, M.D.
COMMISSIONER

REGULAR MEETING OF THE HEALTH SERVICE BOARD

Monday, November 22, 1999
1:00 PM

101 Grove Street, Room 300
San Francisco, CA 94103

AGENDA

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CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

President Heldfond
Vice President Zvanski
Commissioner Deignan
Commissioner Fraser
Commissioner Katz
Commissioner Paretchan
Commissioner Welch

APPROVAL OF MINUTES:

Minutes of Special Meeting of September 30, 1999.
Minutes of Regular Meeting of October 14, 1999.

Public Comment:

Action:

112299-01 **Report of Deputy Director of Human Resources.**

- Current Status of Medical Claims.
- Partial Payment Reconciliation.
- Update regarding Status of RFP Process for Independent Auditors to Perform Audits of the Former Pharmacy Contractor as well as Medical Claims.
- Status of Health Service System Contracts.
- Out-of-Area Members Enrolled in HMOs.

112299-02 **Financial Reports**

a. Report by Towers Perrin.
b. Report by Health Service System staff.

Public Comment:

Action:

112299-03 **Discussion and possible action on KPMG audit.**

Public Comment:

Action:

112299-04 **Discussion and possible action regarding a strategic planning meeting.**

Public Comment:

Action:

112299-05 **Discussion and approval of RFP for indemnity plan.**

Public Comment:

Action:

112299-06 **Discussion and possible action regarding particular contract terms proposed by vendors.**

Public Comment:

Action:

112299-07 **Discussion and possible action regarding the administrative procedure about processing of HSS appeals.**

Public Comment:

Action:

112299-08 **Discussion and possible action regarding modifications to Health Service System Rules & Regulations.**

Public Comment:

Action:

112299-09 **Discussion and possible action regarding reports from the Budget Committee and/or Rates and Benefits Committee.**

Public Comment:

Action:

112299-10 **Other Business:**
This item is designed to allow the opportunity to calendar items for future meetings.

112299-11 **Public comment on any matters within the Board's jurisdiction.**

ADJOURNMENT

ACCESSIBLE MEETING POLICY

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HEALTH SERVICE SYSTEM
A DIVISION OF THE DEPARTMENT OF HUMAN RESOURCES
CITY AND COUNTY OF SAN FRANCISCO

25

1/22/99

2

SCOTT HELDFOND
PRESIDENT

CLAIRE ZVANSKI
VICE PRESIDENT

JAMES DEIGNAN
COMMISSIONER

JEAN FRASER
COMMISSIONER

LESLIE KATZ
COMMISSIONER

HARRY PARETCHAN
COMMISSIONER

MELISSA WELCH, M.D.
COMMISSIONER

REGULAR MEETING OF THE HEALTH SERVICE BOARD

Monday, November 22, 1999
1:00 PM

101 Grove Street, Room 300
San Francisco, CA 94103

MINUTES

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CALL TO ORDER
1:02 PM

PLEDGE OF ALLEGIANCE

ROLL CALL

President Heldfond - Present
Vice President Zvanski - Present
Commissioner Deignan - Present
Commissioner Fraser – Present
Commissioner Katz – Absent
Commissioner Paretchan - Present
Commissioner Welch - Present

APPROVAL OF MINUTES:

Minutes of Special Meeting of September 30, 1999.
Minutes of Regular Meeting of October 14, 1999.

Public Comment: None.

Action: Moved and seconded to approve the minutes of Special Meeting of September 30, 1999 as amended, and to carry forward the Minutes of the Regular Meeting of October 14, 1999 to the December 9th meeting.

Motion passed (6-0).

112299-01 **Report of Deputy Director of Human Resources.**

- **Current Status of Medical Claims**
  There are 19,000 claims on hand, and this level has been sustained for two weeks. The number of claims received daily is 800-1,000.

- **Partial Payment Reconciliation**
  The audit of the partial payment reconciliation is being compiled by KPMG. Their report will be made available in December.

- **Update on Requests For Proposals**
  Two proposals were received for the medical claims audit and three for the prescription benefit audit. HSS is now reviewing compliance for proposals.

- **HSS Contracts**
  HSS continues to contact carriers. Both attorneys are discussing issues. At the December meeting, outstanding contract issues will be noted with recommendations.

- **Out of Area Members Enrolled in HMO's**
  HSS and Kaiser identified 44 members who fall in OOA. This will result in sending letters to the affected members. There are ten versions of letters. Jane Fronk, Kaiser Account Executive, will present a report and recommendations about the Visiting Member alternative. The letters will be presented for Board review at the December 9, 1999 meeting. (Exhibit 1, Kaiser letter)

112299-02 **Financial Reports**

a. **Report by Towers Perrin**
Roland Mittica, Consultant, and Michael Kramer, HSB Actuary (Exhibits '2' and '3-3').

Public Comment: 1) Diane Hermann, Retiree
2) Jerry De Ryan, Retiree

Action: Moved and seconded to accept reports. Motion passed 6-0.

112299-03 **Discussion and possible action on KPMG audit.**

Public Comment: Jerry De Ryan

Action: This item was carried forward to the Dec. 9 meeting since KPMG audit will be released the week of November 9.

112299-04 **Discussion and possible action regarding a strategic planning meeting.**

Public Comment: None

Action: This item was carried forward to the meeting of December 9.

112299-05 **Discussion and approval of RFP for indemnity plan.**

Public Comment: None

Action: Continue to the meeting of December 9th.

112299-06 **Discussion and possible action regarding particular contract terms proposed by vendors.**

Public Comment: None

Action: Continue to the meeting of December 9th.

112299-07 **Discussion and possible action regarding the administrative procedure about processing of HSS appeals.**

The administrative procedures about processing of HSS appeals was reviewed. The Board agreed that processing of appeals should be more user-friendly and directed staff to refer any questionable appeals to the Board.

Public Comment: None

Action: None

112299-08 **Discussion and possible action regarding modifications to Health Service System Rules and Regulations.**

Public Comment: None

Action: This item is carried forward to the December 9 meeting.

112299-09 **Discussion and possible action regarding reports from the Budget Committee and/or Rates and Benefits Committee.**

Public Comment: None

Action: This item is carried forward to the December 9 meeting.

112299-10 **Other Business**

a. Commissioner Fraser asked for a staff report describing the System Reports/data Towers Perrin has requested as well as what staff is doing to modify reports.

b. Commissioner Zvanski asked for a Hetch Hetchy services report relative to the member records, in January 2000.

Public Comment: None

Action: None

112299-11 **Public comment on any matters within the Board's jurisdiction.**

Public Comment:

a. Jerry De Ryan asked about the HSS budgeted funds allocated to enhance computer and staff operations.

c. Diane Hermann requested Towers Perrin prepare a qualitative report to accompany their financial reports, explaining their findings and fund status.

Action: None.

ADJOURNMENT

2:36 PM

Consultant's Report

November 22, 1999 Meeting of the Health Service Board

- **System Reports**
  - — Reports Requested from HSS for Monthly Delivery:
    - Large claims (currently received upon request)
    - Contributions and claims (as current, except with adult dependents separated between dependents of employees and dependents of retirees)
    - Membership (currently received upon request; needs a summary)
    - Claim breakdown (as current, except with adult dependents split as above)
    - Claim backlog (currently ad hoc)
  - — Vendor Reports
    - We are now receiving monthly reports from Delta Dental, Express Scripts and VSP

- **Financial Results for October**
  - — Loss Ratios
    - October claim experience
    - Year-to-date expenses
  - — Reserves
    - June 30, 1999 reserves (as reported to KPMG)
    - Current status of reserves
  - — Financial Status of the Trust

CITY AND COUNTY OF SAN FRANCISCO

Cash Basis Experience from July 1, 1999 through October 31, 1999

	Fiscal Year to Date			October, 1999		
	Contributions	Claims	Loss Ratio	Contributions	Claims	Loss Ratio
Medical						
Active employees	$ 2,616,189	$ 5,581,585	213%	$ 631,689	$ 1,040,335	165%
Retirees w/o Medicare	1,490,395	1,689,952	113%	374,525	346,415	92%
Retirees w/ Medicare	307,906	1,278,859	415%	75,262	308,242	410%
Adult dep. w/o Medicare	1,227,130	2,148,716	175%	301,016	421,782	140%
Adult dep. w/ Medicare	42,187	195,663	464%	9,796	46,903	479%
Minor dependents	425,557	935,881	220%	105,258	187,875	178%
Subtotal	$ 6,109,364	$ 11,830,655	194%	$ 1,497,548	$ 2,351,551	157%
Prescription Drugs						
Active employees*	$ 857,591	$ 1,254,338	146%	$ 208,811	$ 276,227	132%
Retirees w/o Medicare*	494,610	466,726	94%	125,074	135,152	108%
Retirees w/ Medicare*	1,624,633	1,602,106	99%	398,546	486,225	122%
Subtotal	$ 2,976,834	$ 3,323,171	112%	$ 732,432	$ 897,604	123%
Vision						
Active employees*	$ 78,972	$ 122,317	155%	$ 19,265	$ 15,130	79%
Retirees w/o Medicare*	23,225	25,643	110%	5,833	3,953	68%
Retirees w/ Medicare*	84,567	54,930	65%	20,771	9,135	44%
Subtotal	$ 186,764	$ 202,890	109%	$ 45,869	$ 28,218	62%

CITY AND COUNTY OF SAN FRANCISCO

Cash Basis Experience from July 1, 1999 through October 31, 1999

	Fiscal Year to Date			October, 1999		
	Contributions	Claims	Loss Ratio	Contributions	Claims	Loss Ratio
All Coverages						
Active employees	$ 3,552,751	$ 6,958,240	196%	$ 859,766	$ 1,331,692	155%
Retirees w/o Medicare	2,008,230	2,182,321	109%	505,432	485,520	96%
Retirees w/ Medicare	2,017,107	2,935,895	146%	494,580	803,603	162%
Adult dep. w/o Medicare	1,227,130	2,148,716	175%	301,016	421,782	140%
Adult dep. w/ Medicare	42,187	195,663	464%	9,796	46,903	479%
Minor dependents	425,557	935,881	220%	105,258	187,875	178%
Subtotal	$ 9,272,961	$ 15,356,716	166%	$ 2,275,849	$ 3,277,374	144%

* Includes dependents

CITY AND COUNTY OF SAN FRANCISCO

Cash Basis Experience from July 1, 1999 through October 31, 1999

	Contributions by Month				Claims by Month			
	Medical	Drug	Vision	Total	Medical	Drug	Vision	Total
1998 July	$ 4,221,737	$ 1,522,526	$ 98,201	$ 5,842,464	$ 3,955,626	$ 1,313,573	$ 91,918	$ 5,361,117
August	3,794,070	1,280,876	82,717	5,157,663	4,856,093	1,248,472	61,624	6,166,189
September	3,826,597	1,289,967	83,292	5,199,856	4,274,354	1,276,276	63,459	5,614,089
October	3,826,646	1,288,875	83,139	5,198,660	4,886,631	1,299,449	67,793	6,253,873
November	3,940,485	1,314,717	85,218	5,340,420	3,472,148	1,962,878	53,162	5,488,188
December	5,127,386	1,556,669	107,499	6,791,554	4,293,573	1,194,971	59,989	5,548,533
1999 January	3,807,157	1,226,499	81,438	5,115,094	3,762,695	1,348,721	46,389	5,157,805
February	3,805,605	1,281,704	82,748	5,170,057	3,964,623	1,412,042	50,044	5,426,709
March	4,306,238	1,389,617	91,992	5,787,847	5,355,729	2,128,702	50,044	7,534,475
April	3,932,666	1,303,809	85,022	5,321,497	4,337,991	1,510,979	57,166	5,906,136
May	3,929,037	1,298,421	84,351	5,311,809	4,297,727	1,624,932	71,435	5,994,094
June	5,048,618	1,526,832	105,122	6,680,572	5,787,155	1,727,434	71,435	7,586,024
1999 July	$ 1,512,784	$ 702,402	$ 44,617	$ 2,259,804	$ 3,698,261	$ 1,536,162	$ 58,224	$ 5,292,646
August	1,590,037	792,176	49,514	2,431,727	3,697,119	557,919	58,224	4,313,262
September	1,508,994	749,824	46,764	2,305,582	2,083,724	331,486	58,224	2,473,434
October	1,497,548	732,432	45,869	2,275,849	2,351,551	897,604	28,218	3,277,374
November				-				-
December				-				-
January				-				-
February				-				-
March				-				-
April				-				-
May				-				-
June				-				-

CITY AND COUNTY OF SAN FRANCISCO

Estimated Status of Reserve for Claims Incurred but Unpaid

(in millions)	Medical	Pharmacy	Dental	Total
Reserve as of June 30, 1998				
Per KPMG audit	$ 13.6	$ 1.3	$ 2.4	$ 17.3
Actual runout	*$ 14.6*	*N/A*	*N/A*	*N/A*
Reserve as of June 30, 1999				
As reported to KPMG (as of September 30, 1999)	$ 14.0	$ 2.1	$ 2.6	$ 18.7
Reserve increase from June 30, 1998	$ 0.4	$ 0.8	$ 0.2	$ 1.4
Current estimate of reserve	*$ 14.0*	*$ 2.1*	*$ 2.6*	*$ 18.7*
Reserve as of October 31, 1999				
Reserve as of June 30, 1999	$ 14.0	$ 2.1	$ 2.6	$ 18.7
Less: Runout claims paid since June 30, 1999	(11.0)	(2.0)	(2.5)	(15.5)
Estimated remaining reserve for claims incurred before July 1, 1999	$ 3.0	$ 0.1	$ 0.1	$ 3.2
Claims incurred and paid since July 1, 1999	(1.4)	(1.3)	(6.5)	(9.2)
Estimated claims incurred since July 1, 1999*	7.1	3.3	9.2	19.6
Estimated total reserve as of October 31, 1999	$ 8.7	$ 2.1	$ 2.8	$ 13.6
Estimated change in reserve since June 30, 1999	(5.3)	-	0.2	(5.1)

* Calculated as follows:

Contributions received since July 1, 1999	$ 6.1	$ 3.0	N/A	N/A
Expected loss ratio based on utilization predictions	1.16	1.10	N/A	N/A
Estimated claims incurred since July 1, 1999	$ 7.1	$ 3.3	N/A	N/A

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11/22/1999 9:08 AM

HEALTH SERVICE SYSTEM
A DIVISION OF THE DEPARTMENT OF HUMAN RESOURCES
CITY AND COUNTY OF SAN FRANCISCO

SCOTT HELDFOND
PRESIDENT

CLAIRE ZVANSKI
VICE PRESIDENT

JAMES DEIGNAN
COMMISSIONER

JEAN FRASER
COMMISSIONER

LESLIE KATZ
COMMISSIONER

HARRY PARETCHAN
COMMISSIONER

MELISSA WELCH, M.D.
COMMISSIONER

SPECIAL APPEALS MEETING OF THE HEALTH SERVICE BOARD

Thursday, December 9, 1999
12:00 NOON

City Hall, Room 416
#1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

AGENDA

DOCUMENTS DEPT.
DEC 06 1999
SAN FRANCISCO
PUBLIC LIBRARY

CALL TO ORDER

ROLL CALL

President Heldfond
Vice President Zvanski
Commissioner Deignan
Commissioner Fraser
Commissioner Katz
Commissioner Paretchan
Commissioner Welch

APPEALS

120999-01 **Public Comment of All Matters Pertaining to the Closed Session.**

Public Comment:

120999-02 **Closed Session Pursuant to Government Code Section 54956.9(b)(3)(B) and San Francisco Administrative Code Section 67.11(b)(2).**

CONSIDERATION OF APPEALS PURSUANT TO SECTION 12.200(5) OF THE CHARTER OF THE CITY AND COUNTY OF SAN FRANCISCO

A. Appeal of Denial to Terminate Participation in the Dependent Care Flexible Spending Account.
(HSS # 49372)

Staff Recommendation: Uphold the denial of the appeal.

Member Comment:

Board Action:

B. Appeal of Denial to Add a Dependent.
1. HSS # 56891

Staff Recommendation: Uphold the denial of the appeal.

Member Comment:

Board Action:

2. HSS # 70698

Staff Recommendation: Uphold the denial of the appeal.

Member Comment:

Board Action:

C. Appeal of Denial to Reduce Contributions to the Dependent Care Flexible Spending Account.
(HSS # 23936)

Staff Recommendation: Uphold the denial of the appeal.

Member Comment:

Board Action:

D. Appeal of Denial To Change Dental Plans. (HSS # 94727)

Staff Recommendation: Uphold the denial of the appeal.

Member Comment:

Board Action:

E. Appeal of Denial For Services Rendered by A Marriage Family Therapy Intern. (HSS # 54857)

Staff Recommendation: : Uphold the denial of the appeal.

Member Comment:

Board Action:

120999-03 Reconvene in open session:

a) Possible report on action taken in closed session. (Government Code section 54957.1(a)(2) and San Francisco Administrative code section 67.14(b)(2).

Public Comment:

b) Vote to elect whether to disclose any or all discussions held in closed session (San Francisco Administrative Code section 67.14(a).)

Public Comment:

Action:

ADJOURNMENT:

HEALTH SERVICE SYSTEM
A DIVISION OF THE DEPARTMENT OF HUMAN RESOURCES
CITY AND COUNTY OF SAN FRANCISCO

SCOTT HELDFOND
PRESIDENT

CLAIRE ZVANSKI
VICE PRESIDENT

JAMES DEIGNAN
COMMISSIONER

JEAN FRASER
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COMMISSIONER

HARRY PARETCHAN
COMMISSIONER

MELISSA WELCH, M.D.
COMMISSIONER

SPECIAL MEETING OF THE HEALTH SERVICE BOARD

Thursday, December 9, 1999
12:30 P.M.

City Hall, Room 416
#1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

AGENDA

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PUBLIC LIBRARY

CALL TO ORDER

ROLL CALL

President Heldfond
Vice President Zvanski
Commissioner Deignan
Commissioner Fraser
Commissioner Katz
Commissioner Paretchan
Commissioner Welch

120999CS-01 **Vote on whether to hold closed session to confer with legal counsel.**
(San Francisco Administrative Code section 67.11(a).)

Public Comment:

Action:

120999CS-02 Closed session pursuant to Government Code section 54956.9(b) and San Francisco Administrative Code section 67.11(b).

CONFERENCE WITH LEGAL COUNSEL: ANTICIPATED LITIGATION

Number of potential case: 1

1) Kaiser: Claim for alleged past due charges

120999CS-03 Reconvene in open session:

a) Possible report on action taken in closed session. (Government Code section 54957.1(a)(2) and San Francisco Administrative code section 67.14(b)(2).

Public Comment:

b) Vote to elect whether to disclose any or all discussions held in closed session (San Francisco Administrative Code section 67.14(a).)

Public Comment:

Action:

ADJOURNMENT:

HEALTH SERVICE BOARD

December 9, 1999

The Minutes of the special and special appeals meetings are missing.

San Francisco Public Library
Government Information Center

HEALTH SERVICE SYSTEM
A DIVISION OF THE DEPARTMENT OF HUMAN RESOURCES
CITY AND COUNTY OF SAN FRANCISCO

SCOTT HELDFOND
PRESIDENT

CLAIRE ZVANSKI
VICE PRESIDENT

JAMES DEIGNAN
COMMISSIONER

JEAN FRASER
COMMISSIONER

LESLIE KATZ
COMMISSIONER

HARRY PARETCHAN
COMMISSIONER

MELISSA WELCH, M.D.
COMMISSIONER

REGULAR MEETING OF THE HEALTH SERVICE BOARD

Thursday, December 9, 1999
1:00 PM

City Hall, Room 416
#1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

AGENDA

DOCUMENTS DEPT.
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SAN FRANCISCO
PUBLIC LIBRARY

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

President Heldfond
Vice President Zvanski
Commissioner Deignan
Commissioner Fraser
Commissioner Katz
Commissioner Paretchan
Commissioner Welch

APPROVAL OF MINUTES:

Minutes of Regular Meeting of October 14, 1999.
Minutes of Regular Meeting of November 22, 1999.

Public Comment:

Action:

120999-01 **Presentation, discussion and possible action on KPMG audit.**

Public Comment:

Action:

120999-02 **Financial Reports.**
a. Report by Towers Perrin.
b. Report by Health Service System staff.

Public Comment:

Action:

120999-03 **Presentation, discussion and possible action on CALPERS options.**

Public Comment:

Action:

120999-04 **Discussion and possible action regarding particular contractual issues by HSS vendors.**

Public Comment:

Action:

120999-05 **Discussion and possible action regarding letters to be sent to Kaiser retirees who reside out of the area.**

Public Comment:

Action:

120999-06 **Report by Commissioner Fraser regarding HSS Customer Service Task Force.**

Public Comment:

Action:

120999-07 **Discussion and approval of RFP for indemnity plan.**

Public Comment:

Action:

120999-08 **Discussion and possible action regarding modifications to Health Service System Rules & Regulations.**

Public Comment:

Action:

120999-09 **Discussion and possible action regarding reports from the Budget Committee and/or Rates and Benefits Committee.**

Public Comment:

Action:

120999-10 **Report of Deputy Director of Human Resources.**

- Current Status of Medical Claims.
- Partial Payment.
- Schedule for Rates & Benefits Committee meetings in January & February 2000.
- Systems Reports for Towers Perrin.
- Status Report of HSS Consumer Committee.
- PCS update.
- Status of award of contracts to conduct an audit of the former pharmacy contractor and City Plan 1 medical claims.

120999-11 **Other Business:**
This item is designed to allow the opportunity to calendar items for future meetings.

120999-12 **Public comment on any matters within the Board's jurisdiction.**

ADJOURNMENT

ACCESSIBLE MEETING POLICY

The meeting will be held at CITY HALL, ROOM 416. The closest accessible BART station is located at Market St./Civic Center. Accessible MUNI lines serving this location are J, K, L, M, 6, 7, 8 and 21. For information about MUNI accessible services call 923-6142.

There is accessible parking available at the following locations:

Market and 8th Streets.

Accessible seating for persons with disabilities (including those using wheelchairs) will be available.

The following services are available upon request:

- American sign language interpreters will be available upon request.
- A sound enhancement system will be available upon request at the meeting.

- Minutes of the meeting or hearing are available in alternative formats.

If you require the use of any of these services, please contact Mila A. Palarca at (415) 554-1737 at least 72 hours prior to the meeting.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City accommodate these individuals.

KNOW YOUR RIGHTS UNDER THE SUNSHINE ORDINANCE

(Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decisions in full view of the public.

Commissions, Boards, Councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

FOR MORE INFORMATION ON YOUR RIGHTS UNDER THE SUNSHINE ORDINANCE OR TO REPORT A VIOLATION O F THE ORDINANCE, CONTACT THE SUNSHINE ORDINANCE TASK FORCE AT 554-6075.

HEALTH SERVICE SYSTEM
A DIVISION OF THE DEPARTMENT OF HUMAN RESOURCES
CITY AND COUNTY OF SAN FRANCISCO

9/99

SCOTT HELDFOND
PRESIDENT

CLAIRE ZVANSKI
VICE PRESIDENT

JAMES DEIGNAN
COMMISSIONER

JEAN FRASER
COMMISSIONER

LESLIE KATZ
COMMISSIONER

HARRY PARETCHAN
COMMISSIONER

MELISSA WELCH, M.D.
COMMISSIONER

REGULAR MEETING OF THE HEALTH SERVICE BOARD

Thursday, December 9, 1999
1:00 PM

City Hall, Room 416
#1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

MINUTES

DOCUMENTS DEPT.

JAN 24 2000

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PUBLIC LIBRARY

CALL TO ORDER
1:05 PM

PLEDGE OF ALLEGIANCE

ROLL CALL

President Heldfond - Present
Vice President Zvanski - Present
Commissioner Deignan - Present
Commissioner Fraser – Present
Commissioner Katz – Absent
Commissioner Paretchan - Present
Commissioner Welch - Present

APPROVAL OF MINUTES:

Minutes of Regular Meeting of October 14, 1999.
Minutes of Regular Meeting of November 22, 1999.

Public Comment: None.

Action: Moved and seconded to approve the minutes of the Regular Meeting of October 14, 1999 as amended, and to carry forward the minutes of the Regular Meeting of November 22, 1999 to the January 13th meeting.

Motion passed (6-0).

120999-01 **Presentation, discussion and possible action on KMPG audit.**
Denise Price, Partner, and Reinhart Kleemer, Engagement Partner, addressed the Board regarding the HSS audit. See Exhibit 1.

Ms. Sommercamp clarified the status of the partial payment project. The previously reported partial payment balances were overstated in that regular and partial payment refund deposits were combined.

Public Comment: Diane Hermann, Retiree Association.

Action: Moved and seconded to accept report (Exhibit '1'). Motion passed 6-0.

120999-02 **Financial Reports.**

a. Report by Towers Perrin.

Mr. Michael Kramer, FSA, and Mr. Roland Mittica from Towers Perrin presented their reports for November 1999. See Exhibit 2.

Public Comment: Diane Hermann, Retiree Association
Denise Price, KPMG
Janet Findlay, VSP

Action: Moved and seconded to accept report (Exhibit '2'). Motion passed 6-0.

b. Report by Health Service System Staff.
Patricia Wu presented the HSS financial report. See Exhibit 3.

Public Comment: None.

Action: Moved and seconded to accept report (Exhibit '3'). Motion passed 6-0.

120999-03 **Presentation, discussion and possible action on CALPERS options.**

Donna Beaumont, CALPERS Marketing Representative, presented an overview of CALPERS.

Public Comment: Flora Zagorites, Representative, CA Retired Teachers Association.

Action: Matter is referred to Rates & Benefits Committee.

120999-04 **Discussion and possible action regarding particular contractual issues by HSS vendors.**

Public Comment: None.

Action: None.

120999-05 **Discussion and possible action regarding letters to be sent to Kaiser retirees who reside out of the area.**

Jane Fronk and Lisa Ferrari from Kaiser discussed the modified program for those members who have been grandfathered.

Public Comment: None

Action: None.

120999-06 **Report by Commissioner Fraser regarding HSS Customer Service Task Force.**

Commissioner Fraser announced the following members for the HSS Customer Service Task Force:

Diane Ferrari, HSS
Robert Christmas, CHN
Gale Wright, Retiree
Emily Morrison, DHR
Jane Fronk, Kaiser
Joanne Haggerty, HealthNet
Jay Banfield, Tax Collector
Awaiting nomination from School District.

A meeting is planned for January 20, 2000. The committee goals are to:
1) improve the delivery and execution of open enrollment, and
2) to explore ways to upgrade HSS access.

Public Comment: Gale Wright, Retiree

Action: None.

120999-07 **Discussion and approval of RFP for indemnity plan.**

Public Comment: None

Action: Deferred.

120999-08 **Discussion and possible action regarding modifications to Health Service System Rules and Regulations.**

Public Comment: Nancy Gin, Retiree

Action: This item is carried forward to the January 13th meeting.

120999-09 **Discussion and possible action regarding reports from the Budget Committee and/or Rates and Benefits Committee.**

Public Comment: None

Action: Rates & Benefits Committee meetings are being changed to the 2nd and 4th Mondays.

120999-10 **Report of Deputy Director of Human Resources.**

- Current status of Medical Claims
  The current claims on hand are under 20,000.
- Partial Payment
  Status report will be presented January 13, 2000.
- Systems Reports for Towers Perrin
  Reports should be available in January.
- PCS update
  HSS has records of HSS members who used the PCS benefit after July 1, 1999. The pharmacy benefit audit team will review in January.

120999-11 **Other Business**

1. ESI mailings.
2. OE costs for previous years..
3. The commendations for Rael & Letson and HCE.
4. Report on appeals to HSS staff.
5. Dec. 6th Retiree letter for distribution.

Public Comment: None

Action: None

120999-12 **Public comment on any matters within the Board's jurisdiction.**

Public Comment:

Action: None.

ADJOURNMENT
3:35 PM

Consultant's Report

December 9, 1999 Meeting of the Health Service Board

- **Financial Results for November**
  - — Loss Ratios
    - – November claim experience
    - – Year-to-date expenses
  - — Reserves
    - – June 30, 1999 reserves – update on reported reserves
    - – Current status of reserves

- **Projected Financial Status of the Trust**
  - — Trust assets
  - — IBNR reserves
  - — Other reserves
  - — Conclusion

- **VSP Financial Information**
  - — Premium rates
  - — Premiums vs. claims

- **Reporting**
  - — VSP experience reporting
  - — HMO experience reporting
  - — Dental premium and claim reporting

CITY AND COUNTY OF SAN FRANCISCO

Cash Basis Experience from July 1, 1999 through November 30, 1999

	Fiscal Year to Date			November, 1999		
	Contributions	Claims	Loss Ratio	Contributions	Claims	Loss Ratio
Medical						
Active employees	$ 3,214,842	$ 6,501,012	202%	$ 598,653	$ 919,428	154%
Retirees w/o Medicare	1,853,303	2,118,226	114%	362,908	428,274	118%
Retirees w/ Medicare	382,374	1,497,556	392%	74,468	218,697	294%
Adult dep. w/o Medicare	1,506,179	2,422,804	161%	279,048	274,089	98%
Adult dep. w/ Medicare	51,962	237,682	457%	9,776	42,019	430%
Minor dependents	522,579	1,034,335	198%	97,022	98,454	101%
Subtotal	$ 7,531,238	$ 13,811,616	183%	$ 1,421,874	$ 1,980,961	139%
Prescription Drugs						
Active employees*	$ 1,054,404	$ 1,461,498	139%	$ 196,813	$ 207,160	105%
Retirees w/o Medicare*	616,521	566,513	92%	121,911	99,787	82%
Retirees w/ Medicare*	2,040,273	2,015,462	99%	415,640	413,355	99%
Subtotal	$ 3,711,198	$ 4,043,473	109%	$ 734,364	$ 720,302	98%
Vision						
Active employees*	$ 97,037	$ 134,212	138%	$ 18,066	$ 11,895	66%
Retirees w/o Medicare*	28,908	29,358	102%	5,683	3,715	65%
Retirees w/ Medicare*	106,212	66,866	63%	21,645	11,936	55%
Subtotal	$ 232,158	$ 230,436	99%	$ 45,394	$ 27,546	61%

CITY AND COUNTY OF SAN FRANCISCO

Cash Basis Experience from July 1, 1999 through November 30, 1999

	Fiscal Year to Date			November, 1999		
	Contributions	Claims	Loss Ratio	Contributions	Claims	Loss Ratio
All Coverages						
Active employees	$ 4,366,283	$ 8,096,723	185%	$ 813,532	$ 1,138,483	140%
Retirees w/o Medicare	2,498,732	2,714,097	109%	490,502	531,776	108%
Retirees w/ Medicare	2,528,859	3,579,884	142%	511,753	643,989	126%
Adult dep. w/o Medicare	1,506,179	2,422,804	161%	279,048	274,089	98%
Adult dep. w/ Medicare	51,962	237,682	457%	9,776	42,019	430%
Minor dependents	522,579	1,034,335	198%	97,022	98,454	101%
Subtotal	$ 11,474,593	$ 18,085,526	158%	$ 2,201,632	$ 2,728,809	124%

* Includes dependents

CITY AND COUNTY OF SAN FRANCISCO

Cash Basis Experience from July 1, 1999 through November 30, 1999

	Contributions by Month				Claims by Month			
	Medical	Drug	Vision	Total	Medical	Drug	Vision	Total
1998 July	$ 4,221,737	$ 1,522,526	$ 98,201	$ 5,842,464	$ 3,955,626	$ 1,313,573	$ 91,918	$ 5,361,117
August	3,794,070	1,280,876	82,717	5,157,663	4,856,093	1,248,472	61,624	6,166,189
September	3,826,597	1,289,967	83,292	5,199,856	4,274,354	1,276,276	63,459	5,614,089
October	3,826,646	1,288,875	83,139	5,198,660	4,886,631	1,299,449	67,793	6,253,873
November	3,940,485	1,314,717	85,218	5,340,420	3,472,148	1,962,878	53,162	5,488,188
December	5,127,386	1,556,669	107,499	6,791,554	4,293,573	1,194,971	59,989	5,548,533
1999 January	3,807,157	1,226,499	81,438	5,115,094	3,762,695	1,348,721	46,389	5,157,805
February	3,805,605	1,281,704	82,748	5,170,057	3,964,623	1,412,042	50,044	5,426,709
March	4,306,238	1,389,617	91,992	5,787,847	5,355,729	2,128,702	50,044	7,534,475
April	3,932,666	1,303,809	85,022	5,321,497	4,337,991	1,510,979	57,166	5,906,136
May	3,929,037	1,298,421	84,351	5,311,809	4,297,727	1,624,932	71,435	5,994,094
June	5,048,618	1,526,832	105,122	6,680,572	5,787,155	1,727,434	71,435	7,586,024
1999 July	$ 1,512,784	$ 702,402	$ 44,617	$ 2,259,804	$ 3,698,261	$ 1,536,162	$ 58,224	$ 5,292,646
August	1,590,037	792,176	49,514	2,431,727	3,697,119	557,919	58,224	4,313,262
September	1,508,994	749,824	46,764	2,305,582	2,083,724	331,486	58,224	2,473,434
October	1,497,548	732,432	45,869	2,275,849	2,351,551	897,604	28,218	3,277,374
November	1,421,874	734,364	45,394	2,201,632	1,980,961	720,302	27,546	2,728,809
December				-				-
January				-				-
February				-				
March				-				-
April				-				-
May				-				-
June				-				-

CITY AND COUNTY OF SAN FRANCISCO

Estimated Status of Reserve for Claims Incurred but Unpaid

(in millions)	Medical	Pharmacy	Dental	Total
Reserve as of June 30, 1998				
Per KPMG audit	$ 13.6	$ 1.3	$ 2.4	$ 17.3
Actual runout	*$ 14.6*	*N/A*	*N/A*	*N/A*
Reserve as of June 30, 1999				
As reported to KPMG (as of September 30, 1999)	$ 14.0	$ 2.1	$ 2.6	$ 18.7
Reserve increase from June 30, 1998	$ 0.4	$ 0.8	$ 0.2	$ 1.4
Current estimate of reserve	*$ 14.0*	*$ 2.1*	*$ 2.6*	*$ 18.7*
Reserve as of November 30, 1999				
Reserve as of June 30, 1999	$ 14.0	$ 2.1	$ 2.6	$ 18.7
Less: Runout claims paid since June 30, 1999	(11.6)	(2.1)	(2.5)	(16.2)
Estimated remaining reserve for claims incurred before July 1, 1999	$ 2.4	$ -	$ 0.1	$ 2.5
Claims incurred and paid since July 1, 1999	(2.9)	(1.9)	(8.2)	(13.0)
Estimated claims incurred since July 1, 1999*	8.7	4.1	10.7	23.5
Estimated total reserve as of November 30, 1999	$ 8.2	$ 2.2	$ 2.6	$ 13.0
Estimated change in reserve since June 30, 1999	(5.8)	0.1	-	(5.7)

* Calculated as follows:

Contributions received since July 1, 1999	$ 7.5	$ 3.7	N/A	N/A
Expected loss ratio based on utilization predictions	1.16	1.10	N/A	N/A
Estimated claims incurred since July 1, 1999	$ 8.7	$ 4.1	N/A	N/A

CITY AND COUNTY OF SAN FRANCISCO

Financial Status of the Trust Fund and Reserves

		Reserves			
	Assets	Claims IBNR	HMO Premiums Payable	Unearned Contributions	Net Assets Available for Benefits
Fiscal Year 1997-98					
Balances, July 1, 1997[1]	$ 53.7	$ 12.7	$ 6.0	$ 5.3	$ 29.7
Results of Operations[1]	(2.7)	4.6	11.2	0.7	(19.2)
Investment Earnings[1]	2.2				2.2
Balances, July 1, 1998[1]	$ 53.2	$ 17.3	$ 17.2	$ 6.0	$ 12.7
Fiscal Year 1998-99					
Balances, July 1, 1998[1]	$ 53.2	$ 17.3	$ 17.2	$ 6.0	$ 12.7
Results of Operations[2]	(7.6)	1.4	(3.7)	2.7	(8.0)
Investment Earnings[2]	1.3				1.3
Balances, July 1, 1999[2]	$ 46.9	$ 18.7	$ 13.5	$ 8.7	$ 6.0
Fiscal Year 1999-2000 (projected)					
Balances, July 1, 1999[2]	$ 46.9	$ 18.7	$ 13.5	$ 8.7	$ 6.0
Results of Operations[3]	(11.5)	(9.0)	Unknown	Unknown	(2.5)
Investment Earnings[3]	1.6				1.6
Balances, July 1, 2000[3]	$ 37.0	$ 9.7	$ 13.5	$ 8.7	$ 5.1

Sources:

1. KPMG Audit Report -- 10/30/98
2. KPMG Audit Report -- 11/19/99
3. Towers Perrin estimates / projections

Unaudited

CITY AND COUNTY OF SAN FRANCISCO
HEALTH SERVICE FUND

Statement of Revenues, Expenses and Changes in Fund Equity

For Fiscal Year Ended November 30, 1999

	Revenue	Expenses	Contrib/(loss)
Health			
City Plan	8,972,100	15,169,724	
Kaiser	19,946,043	31,345,989	
Pacific Care	4,152,867	4,258,292	
Health Net	21,430,116	22,693,323	
Vision Plan		704,628	
Premium Refunds		42,234	
Health Plan of CA		70,758	
Plan 1 Util. Review		206,204	
US Behavioral		236,666	
Preferred Health Ntwk		11,081	
Prescription Med		2,937,402	
	54,501,126	77,676,301	(23,175,175)
Unallocated Health/Dental			
City Match/till Oct	12,200,544		
City Match/Nov. Est.	2,444,000		
Retiremt/STRS	2,341,327		
Community College/Nov	2,148,093		
School District/till Oct99	7,026,764		
School Dist. A/R Nov 99	1,700,000		27,860,728
Dental			
Delta Dental	9,904,721	10,901,139	
Delta Dental TWU		849,716	
Delta Care PMI	635,541	446,157	
Pacific Union	357,699	200,576	
	10,897,961	12,397,588	(1,499,627)
Flex-Benefits			
Colonial Dis.	2,102,667	2,173,491	
DCAP&Med Reimb	792,317	1,394,232	
MEA Med Reimb.	422,659		
UNUM-LTD	2,115,044	2,113,155	
Flex-Plan HSS	123,192	121,925	
Flex-Plan TPA	387,181	416,297	
	5,943,060	6,219,100	(276,040)
Other			
Rutherford Publishing		26,595	
Postage		5,805	
		32,400	(32,400)
Net Increase of Assets			2,877,486

SPECIAL APPEALS MEETING OF THE HEALTH SERVICE BOARD

Thursday, January 13, 2000
12:00 Noon

City Hall, Room 416
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

2000
Appeals

AGENDA

DOCUMENTS DEPT.

JAN 1 0 2000

SAN FRANCISCO
PUBLIC LIBRARY

CALL TO ORDER

ROLL CALL

President Heldfond
Vice President Zvanski
Commissioner Deignan
Commissioner Fraser
Commissioner Katz
Commissioner Paretchan
Commissioner Welch

01132000-01 ACTION ITEM: Public comment on all matters pertaining to the closed session.

Explanatory Documents provided to Board for this item: None.

Public Comments:

Action:

01132000-02 Closed session pursuant to Article 1, Section 1 of the California Constitution.

CONSIDERATION OF THE FOLLOWING APPEALS PURSUANT TO SECTION 12.200(5) OF THE CHARTER OF THE CITY AND COUNTY OF SAN FRANCISCO.

A. ACTION ITEM: Appeal of denial to terminate participation in the dependent care flexible spending account. (This item is continued from the December 9, 1999 meeting at the request of the Board). (HSS # 49372)

Explanatory documents provided to Board for this item: Staff report and any correspondence between appellant and Health Service System staff relating to appeal.

Staff Recommendation: Deny the appeal.

Appellant's Comments:

Action:

B. ACTION ITEM: Appeal of denial to add a dependent. (This item is continued from the December 9, 1999 meeting at the request of the Board). (HSS # 56891)

Explanatory documents provided to Board for this item: Staff report and any correspondence between appellant and Health Service System staff relating to appeal.

Staff Recommendation: Deny the appeal.

Appellant's Comments:

Action:

C. ACTION ITEM: Appeal of denial to transfer out of the City Plan. (HSS # 35684)

Explanatory documents provided to Board for this item: Staff report and any correspondence between appellant and Health Service System staff relating to appeal.

Staff Recommendation: Deny the appeal.

Appellant's Comments:

Action:

D. ACTION ITEM: Appeal of denial to cancel Delta Dental. (HSS # 38805)

Explanatory documents provided to Board for this item: Staff report and any correspondence between appellant and Health Service System staff relating to appeal.

Staff Recommendation: Deny the appeal.

Appellant's Comments:

Action:

E. ACTION ITEM: Appeal of denial for a refund of premiums. (HSS # 67771)

Explanatory documents provided to Board for this item: Staff report and any correspondence between appellant and Health Service System staff relating to appeal.

Appellant's Comments:

Action:

F. ACTION ITEM: Appeal of denial to lift exemption and to enroll in Delta Dental. (HSS # 46602)

Explanatory documents provided to Board for this item: Staff report and any correspondence between appellant and Health Service System staff relating to appeal.

Staff Recommendation: Deny the appeal.

Appellant's Comments:

Action:

G. ACTION ITEM: Appeal of denial to transfer from Delta Care PMI to –Delta Dental. (HSS # 70892)

Explanatory documents provided to Board for this item: Staff report and any correspondence between appellant and Health Service System staff relating to appeal.

Staff Recommendation: Deny the appeal.

Appellant's Comments:

Action:

H. ACTION ITEM: Appeal of denial to retroactively terminate participation in the dependent care flexible spending account and to be issued a refund. (HSS # 67218)

Explanatory documents provided to Board for this item: Staff report and any correspondence between appellant and Health Service System staff relating to appeal.

Staff Recommendation: Deny the appeal.

Appellant's Comments:

Action:

I. ACTION ITEM: Appeal regarding services rendered at Mills Peninsula Hospital after contract termination. (HSS # 92476-60)

Explanatory documents provided to Board for this item: Staff report and any correspondence between appellant and Health Service System staff relating to appeal.

Staff Recommendation: Deny the appeal.

Appellant's Comments:

Action:

01132000-03 Reconvene in open session:

(a) ACTION ITEM: Possible report on action taken in closed session. (Government Code section 54957.1(a)(2) and San Francisco Administrative code section 67.12(b)(2).)

Explanatory documents provided to Board for this item: None.

Public Comments:

Action:

(b) ACTION ITEM: Vote to elect whether to disclose any or all discussions held in closed session (San Francisco Administrative Code section 67.12(a).)

Explanatory documents provided to Board for this item: None.

Public Comment:

Action:

ADJOURNMENT

KNOW YOUR RIGHTS UNDER THE SUNSHINE ORDINANCE
(Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decisions in full view of the public.

Commissions, Boards, Councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations and conducted before the people and that operations are open to the people's review.

FOR MORE INFORMATION ON YOUR RIGHTS UNDER THE SUNSHINE ORDINANCE OR TO REPORT TO A VIOLATION OF THE ORDINANCE, CONTACT THE SUNSHINE ORDINANCE TASK FORCE AT:

Sunshine Ordinance Task Force
Rachel Arnstine O'Hara, Clerk
City Hall, Room 362
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4683
Office (415) 554-6171
Fax (415) 554-6177
E-mail: Rachel_ArnstineO'Hara@ci.sf.ca.us

Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's website at www.ci.sf.ca.us.

HEALTH SERVICE BOARD

January 13, 2000

The Minutes of the special appeals meeting are missing.

San Francisco Public Library
Government Information Center

REGULAR MEETING OF THE HEALTH SERVICE BOARD

Thursday, January 13, 2000
1:00 PM

City Hall, Room 416
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

AGENDA

DOCUMENTS DEPT.

JAN 10 2000

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CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

President Heldfond
Vice President Zvanski
Commissioner Deignan
Commissioner Fraser
Commissioner Katz
Commissioner Paretchan
Commissioner Welch

01132000-01 **ACTION ITEM: Approval (with possible modifications) of minutes of the following meetings:**

-Regular Meeting of November 22, 1999
-Regular Meeting of December 9, 1999

Explanatory Documents Provided to Board for this item: Draft versions of minutes.

Staff Recommendation: Approve draft minutes.

Public Comments:

Action:

01132000-02 DISCUSSION ITEM: Report of Deputy Director of Human Resources, Health Services Division regarding the following matters:

- Current status of the processing of medical claims for Plan 1.
- Current status of collections of amounts that were overpaid pursuant to the partial payment program.
- Update on mailings by Express Scripts to City Plan members.
- Status and disposition of appeals reviewed by Health Service System staff.
- Update on the resolutions previously adopted by the Health Service Board commending former Health Service System service providers Health Care Evaluation Inc. and Rael & Letson.
- Open Enrollments costs for plan years prior to 99-00.
- Update on Year 2000 compliance program.
- Status of award of contract to conduct an audit of the former pharmacy contractor for Plan 1, PCS.
- Status of award of contract to conduct an audit of City Plan 1 medical claims for plan years prior to 99-00.
- Status of letters to Kaiser retirees who reside out of the area and the corresponding collection of from City departments of retroactive premiums.
- Plan for obtaining information from prospective vendors for indemnity or similar health plans.
- Status of reports requested by Towers Perrin in its letter dated October 12, 1999, to Patricia Wu.

01132000-03 ACTION ITEM: Presentation and acceptance (with possible modifications) of financial report by Towers Perrin.

Explanatory documents provided to Board for this item: Written report prepared by Towers Perrin.

Staff Recommendation: Accept the report.

Public Comments:

Action:

01132000-04 ACTION ITEM: Presentation and acceptance (with possible modifications) of financial report by Health Service System staff.

Explanatory documents provided to Board for this item: Written report prepared by Health Service System staff.

Staff Recommendation: Accept the report.

Public Comments:

Action:

01132000-05 ACTION ITEM: Presentation and acceptance (with possible modifications) of the management letter of KPMG for the audited financial statements for Fiscal Year 98-99.

Explanatory documents provided to Board for this item: Management letter prepared by KPMG.

Staff Recommendation: Accept the management letter without modifications.

Public Comments:

Action:

01132000-06 ACTION ITEM: Report on status of contracts with vendors for Fiscal Year 99-00 and resolution by the Board of any open issues in those contracts that must be resolved by the Board.

Explanatory documents provided to Board for this item: Contract status report prepared by Health Service System staff.

Staff Recommendation: None.

Public Comments:

Action:

01132000-07 ACTION ITEM: Presentation and acceptance (with possible modifications) of 10-county survey conducted pursuant to Section A8.423 of the San Francisco Charter and certification to the Board of Supervisors of "the average contribution" as described in that section.

Explanatory documents provided to Board for this item: Summary of survey prepared by Health Service System staff.

Staff Recommendation: Accept survey and "the average contribution," and direct staff to certify such contribution.

Public Comments:

Action:

01132000-08 **ACTION ITEM: Pursuant to Section A8.423 of the San Francisco Charter, "review and determine the adequacy of medical care provided for members of the system and the adequacy of fee schedules and the compensation paid for all services rendered and...[at the Board's option] make such revisions therein as it deems equitable...."**

Explanatory documents provided to Board for this item: None.

Staff Recommendation: Direct Rates and Benefits Committee to report back to Board on or before the regular Board meeting of March 9, 2000, and determine schedule of meetings of such Committee prior to such date.

Public Comments:

Action:

01132000-09 **ACTION ITEM: Plans for special Board meeting to discuss strategic planning.**

Explanatory documents provided to Board for this item: None.

Staff Recommendation: Schedule meeting and any desired agenda items.

Public Comments:

Action:

01132000-10 **DISCUSSION ITEM: Report by Commissioner Fraser regarding the Customer Service Task Force.**

Explanatory documents provided to Board for this item: None.

01132000-11 **DISCUSSION ITEM: Opportunity to place items on future agendas.**

01132000-12 **DISCUSSION ITEM: Opportunity for the public to comment on any matters within the Board's jurisdiction.**

Public Comments:

ADJOURNMENT

MINUTES
Regular Meeting of the Health Service Board

Thursday, January 13, 2000
1:00 PM
City Hall, Room 416
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

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Call To Order: 1:40 PM

Pledge of Allegiance

Roll Call		
	President Heldfond	Excused
	Vice President Zvanski	Present (Acted as Chair)
	Commissioner Deignan	Excused
	Commissioner Fraser	Present
	Commissioner Katz	Absent
	Commissioner Paretchan	Present
	Commissioner Welch	Present

01132000-01 **Action Item: Approval (with possible modifications) of minutes of the following meetings:**

- **Regular Meeting of November 22, 1999**
- **Regular Meeting of December 9, 1999**

Explanatory documents provided to the Board for this item: Draft versions of minutes.

Staff Recommendation: Approve draft minutes.

Public Comments: None.

Action: Moved and seconded to approve the minutes from November 22. Motion passed (4-0). Moved and seconded to approve the minutes from December 9. Motion passed (4-0).

01132000-02 **Discussion Item: Report of Deputy Director of Human Resources, Health Service Division regarding the following matters:**
Explanatory documents provided to the Board for this item: None.

- There are 17,116 medical claims on hand for Plan 1.
- Discussion of the Partial Payment program was deferred to item 5 on the agenda.
- Express Scripts has sent new Pharmacy Benefit cards to members which split dependents and Medicare eligible members into different groups for reporting purposes.
- The status of resolutions previously adopted by the HSB to commend former Health Service System providers, Health Care Evaluation Inc. and Rael & Letson, will be carried forward to the February meeting.
- There are some Open Enrollment costs which are not in the system. More research will need to be done.
- The Year 2000 Compliance program was successful. So far no problems have been encountered with the Y2K modifications.
- The HSS contract to conduct an audit of the former pharmacy contractor for Plan 1, PCS, has been awarded to Towers Perrin. Barbara Hawes is HSS's main contact at Towers Perrin for this project.
- The HSS contract to conduct an audit of City Plan 1 medical claims for plan year prior to 99-2000 has been awarded to Miller Kaplan, pending compliance approval.
- Letters to Kaiser retirees who reside out of the area have been sent. Premiums will be adjusted retroactively if necessary.
- The plan for obtaining information from prospective vendors for indemnity or similar health plans will be deferred to the Rates and Benefits Meeting.
-

- The status of reports requested by Towers Perrin will be discussed in item 3. HSS is compiling the reports and has made this issue a priority.

Comments:

- Commissioner Zvanski would like claims information specific to Hetch-Hetchy residents on the February meeting agenda.
- Commissioner Paretchan is disappointed with Beech Street as he has submitted his doctor's name 2 times without a reply regarding his physician's status.

Public Comments:

- Diane Hermann, Retiree Association: Commented about the multiple mailings of cards to members and the status of the Express Scripts contract.
- Miriam O'Donnell, Retiree Association: Inquired as to the selection process for the new PPO selection by which Beech Street was chosen instead of PHN.

01132000-03 **Action Item: Presentation and acceptance (with possible modifications) of financial report by Towers Perrin.**
Explanatory documents provided to the Board for this item: Written report prepared by Towers Perrin and distributed during the meeting.

Staff Recommendation: Accept the report. (Exhibit '1')

Comments:

- Commissioner Fraser would like KPMG to review Towers Perrin's information to determine if it effects the KPMG report.
- Mike Kramer, Towers Perrin: It has been discovered that the revenues for Plan 1 have been miscalculated and that they are higher than previously estimated.

Public Comments: Diane Herman, Retiree Association: Wanted to know if the HSB use's earlier reports that will also need to be corrected.

Action: Moved and seconded to accept the financial report by Towers Perrin. Motion passed (4-0).

01132000-04 **Action Item: Presentation and acceptance (with possible modifications) of financial report by Health Service System staff.**
Explanatory documents provided to the Board for this item: Written report prepared by Health Service System staff and distributed during the meeting.

Staff Recommendation: Accept the report. (Exhibit '2')

Comments: Patricia Wu, Health Services: HSS is working towards reducing unallocated monies from SFUSD, SFCC, and Retirement.

Public Comments: None.
Action: Moved and seconded to accept the financial report by Health Service System staff. Motion passed (4-0).

01132000-05 **Action Item: Presentation and acceptance (with possible modifications) of the management letter of KPMG for the audited financial statements for the Fiscal Year 1998-1999.**
Explanatory documents provided to the Board for this item: Management letter prepared by KPMG distributed at the meeting.

Staff Recommendation: Accept the management letter without modifications. (Exhibit '3')

Public Comments: None.

Action: Since the letter was released shortly before the meeting, the KPMG management letter will be referred to the Budget Committee and is continued to the February Board meeting.

01132000-06 **Action Item: Report on the status of contracts with vendors for Fiscal Year 1999-2000 and resolution by the Board on any open issues in those contracts that must be resolved by the Board.**
Explanatory documents provided to the Board for this item: Contract Status report prepared by the Health Service System staff was distributed at the meeting. (Exhibit '4')

Staff Recommendation: None.

Comments:

- Bart Duncan, Deputy City Attorney: Stressed the importance of completing the contracts.
- Ann Sommercamp, Deputy Director, HSS: The status of the contracts has improved but is not complete. Response to this item is detailed in attachment.

Public Comment: Diane Herman, Retiree Association: There is concern from the Retiree Association regarding the pace of the contracts. The fiduciary duty of the Board requires that the contracts are completed in a more timely manner. The Retiree Association will be reviewing the final contracts with Ms. Sommercamp.

Action: This item is continued to the February meeting where all carriers with outstanding contract issues should appear.

0113200-07 **Action Item: Presentation and acceptance (with possible modifications) of 10-County survey conducted pursuant to Section A8.423 of the San Francisco Charter and certification to the Board of Supervisors of "the average contribution" as described in that section.**
Explanatory documents provided to the Board for this item: Summary of survey prepared by Health Service System staff was distributed at the meeting. (Exhibit '5')

Staff Recommendation: Accept the survey and "the average contribution" and direct staff to certify such contribution.

Comments: Ann Sommercamp, Deputy Director, HSS: Discussed the charter requirement that the 10-County Survey be conducted in order to determine the contribution rate. The 10-County survey results in a 6.3% increase over last year's contribution rate.

Public Comments: Diane Herman, Retiree Association: Ms. Herman understands that the charter allows for the specified method of contribution setting, but she is not familiar with the method. She would like to look at the methodology.

Action: Moved and seconded to accept the 10-County Survey. Motion passed (4-0). Staff was directed to certify the survey to the Board of Supervisors.

01132000-08 **Action Item: Pursuant to Section A8.423 of the San Francisco Charter, "review and determine the adequacy of medical care provided for members of the system and the adequacy of fee schedules and the compensation paid for all services rendered and...[at the Board's option] make such revisions therein as it deems equitable..."**
Explanatory documents provided to the Board for this item: None.

Staff Recommendation: Direct Rates and Benefits Committee to report back to Board on or before the regular Board meeting of March 9, 2000, and determine schedule of meetings of such Committee prior to such date. Committee meetings have been scheduled for the mornings of January 24 (8:30-12:00), February 14 (8:00-11:00), February 28 (8:00-11:00), and March 6 (8:30-12:00).

Comments: None.

Public Comments: None.

Action: None.

01132000-09 **Action Item: Plans for special Board meeting to discuss strategic planning.**
Explanatory documents provided to the Board for this item: None

Staff Recommendation: Schedule meeting and any desired agenda items.

Comments: Ann Sommercamp, Deputy Director, HSS: Currently looking for a date in February or March.

Public Comments: None.

Action: None

01132000-10 **Discussion Item: Report by Commissioner Fraser regarding the Customer Service Task Force.**
Explanatory documents provided to the Board for this item: None

Comments: Commissioner Fraser: The first meeting is on January 20th.

Public Comments: None.

01132000-11 **Discussion Item: Opportunity to place items on future agendas.**

- Request from Commissioner Paretchan for a report from Express Scripts on February agenda.
- Commissioner Zvanski requests that staff obtain information from SFUSD regarding plans to drop out of Health Services and find their own alternative for health coverage.
- Report from the Budget committee.

01132000-12 **Discussion Item: Opportunity for the public to comment on any matters within the Board's jurisdiction.**

Public Comments: Members are happy with the new meeting location.

Adjournment: 4:20 PM

Consultant's Report

January 13, 2000 Meeting of the Health Service Board

- **Financial Results for December**
  - — Loss Ratios
    - – Contributions
    - – December claim experience
    - – Year-to-date expenses
- **Projected Financial Status of the Trust**
  - — Trust assets
  - — IBNR reserves
  - — Conclusion
- **Reporting**
  - — HMO experience reporting
  - — Dental premium and claim reporting
  - — Express Scripts experience reporting
  - — VSP experience reporting

CITY AND COUNTY OF SAN FRANCISCO

Cash Basis Experience from July 1, 1999 through December 31, 1999

	Fiscal Year to Date			December, 1999		
	Contributions	Claims	Loss Ratio	Contributions	Claims	Loss Ratio
Medical						
Active employee	$ 5,217,877	$ 7,669,570	147%	$ 1,081,208	$ 1,159,053	107%
Dependent of employee (adult)	1,599,208	2,061,044	129%	312,664	316,333	101%
Dependent of employee (minor)	703,622	1,239,294	176%	121,886	212,775	175%
Retiree without Medicare	2,797,705	2,481,503	89%	458,559	551,116	120%
Dependent (w/o Medicare) of retiree	573,706	859,488	150%	94,851	132,188	139%
Retiree with Medicare	2,735,844	1,585,490	58%	465,358	247,575	53%
Dependent (w/ Medicare) of retiree	512,302	656,567	128%	85,025	122,299	144%
Subtotal	$ 14,140,264	$ 16,552,956	117%	$ 2,619,551	$ 2,741,340	105%
Prescription Drugs						
Active employees*	$ 1,324,356	$ 1,600,427	121%	$ 267,847	$ 138,928	52%
Retirees w/o Medicare*	710,733	620,365	87%	116,373	53,852	46%
Retirees w/ Medicare*	2,478,764	2,207,049	89%	417,216	191,587	46%
Subtotal	$ 4,513,853	$ 4,427,841	98%	$ 801,436	$ 384,368	48%
Vision						
Active employees*	$ 120,821	$ 140,594	116%	$ 24,263	$ 6,382	26%
Retirees w/o Medicare*	37,254	32,909	88%	6,094	3,551	58%
Retirees w/ Medicare*	125,611	78,602	63%	21,168	11,736	55%
Subtotal	$ 283,686	$ 252,105	89%	$ 51,525	$ 21,669	42%

CITY AND COUNTY OF SAN FRANCISCO

Cash Basis Experience from July 1, 1999 through December 31, 1999

	Fiscal Year to Date			December, 1999		
	Contributions	Claims	Loss Ratio	Contributions	Claims	Loss Ratio
All Coverages						
Active employee	$ 6,663,054	$ 9,410,591	141%	$ 1,373,318	$ 1,304,363	95%
Dependent of employee (adult)	1,599,208	2,061,044	129%	312,664	316,333	101%
Dependent of employee (minor)	703,622	1,239,294	176%	121,886	212,775	175%
Retiree without Medicare	3,545,692	3,134,777	88%	581,026	608,519	105%
Dependent (w/o Medicare) of retiree	573,706	859,488	150%	94,851	132,188	139%
Retiree with Medicare	5,340,219	3,871,142	72%	903,742	450,899	50%
Dependent (w/ Medicare) of retiree	512,302	656,567	128%	85,025	122,299	144%
Subtotal	$ 18,937,803	$ 21,232,902	112%	$ 3,472,512	$ 3,147,376	91%

* Includes dependents

CITY AND COUNTY OF SAN FRANCISCO

Cash Basis Experience from July 1, 1999 through December 31, 1999

	Contributions by Month				Claims by Month			
	Medical	Drug	Vision	Total	Medical	Drug	Vision	Total
1998 July	$ 4,221,737	$ 1,522,526	$ 98,201	$ 5,842,464	$ 3,955,626	$ 1,313,573	$ 91,918	$ 5,361,117
August	3,794,070	1,280,876	82,717	5,157,663	4,856,093	1,248,472	61,624	6,166,189
September	3,826,597	1,289,967	83,292	5,199,856	4,274,354	1,276,276	63,459	5,614,089
October	3,826,646	1,288,875	83,139	5,198,660	4,886,631	1,299,449	67,793	6,253,873
November	3,940,485	1,314,717	85,218	5,340,420	3,472,148	1,962,878	53,162	5,488,188
December	5,127,386	1,556,669	107,499	6,791,554	4,293,573	1,194,971	59,989	5,548,533
1999 January	3,807,157	1,226,499	81,438	5,115,094	3,762,695	1,348,721	46,389	5,157,805
February	3,805,605	1,281,704	82,748	5,170,057	3,964,623	1,412,042	50,044	5,426,709
March	4,306,238	1,389,617	91,992	5,787,847	5,355,729	2,128,702	50,044	7,534,475
April	3,932,666	1,303,809	85,022	5,321,497	4,337,991	1,510,979	57,166	5,906,136
May	3,929,037	1,298,421	84,351	5,311,809	4,297,727	1,624,932	71,435	5,994,094
June	5,048,618	1,526,832	105,122	6,680,572	5,787,155	1,727,434	71,435	7,586,024
1999 July	$ 2,240,811	$ 702,691	$ 44,618	$ 2,988,120	$ 3,698,261	$ 1,536,162	$ 58,224	$ 5,292,646
August	2,425,921	792,451	49,515	3,267,887	3,697,375	557,919	58,224	4,313,518
September	2,325,219	750,042	46,765	3,122,026	2,084,014	331,486	58,224	2,473,724
October	2,294,094	732,650	45,869	3,072,613	2,351,073	897,604	28,218	3,276,896
November	2,234,668	734,583	45,394	3,014,645	1,980,893	720,302	27,546	2,728,741
December	2,619,551	801,436	51,525	3,472,512	2,741,340	384,368	21,669	3,147,376
2000 January				-				-
February				-				-
March				-				-
April				-				-
May				-				-
June				-				-

Why have the loss ratios changed?

Q1: Why have the loss ratios changed so dramatically since last month?

A1: *We found an error in the system's calculation of the Plan 1 contributions that were used in the loss ratio reports.*

Q2: What was the effect of the error?

A2: *The error resulted in under-reporting of total contributions. The amount of the under-reporting was approximately $800,000 a month or roughly $4 million through November.*

Q3: How was the error discovered?

A3: *We have been working with Systems to reformat certain reports to our specifications. When we received the new reports in late December, the contributions clearly appeared to be wrong.*

Q4: What caused the error?

A4: *The system takes rates from a rate table to calculate total contributions (including drug and vision), and it was pulling rates from a column called "contract rates". Instead, it should have been pulling rates from two columns -- "employee contributions" and "City contributions" -- and adding them together. The system then subtracts drug and vision contributions from this total to get net medical contributions. Since the total contributions were incorrect (drug and vision were correct), net medical contributions were also wrong.*

How has the error and its correction affected the financial condition of the trust?

What are the effects of the error and its correction on:

Q5: The financial condition of the trust as of June 30, 1999?

A5: *The financial condition of the trust as of June 30, 1999 has been audited by KPMG based on an examination of records other than the reports with the errors in them. We do not believe that any change needs to be made in KPMG's report.*

Q6: The financial condition of the trust as of November 30, 1999?

A6: *As noted above, contributions through November were understated by about $4 million. In last month's report, we stated that claims through November had exceeded contributions by $6.6 million. In fact, that figure is now approximately $2.6 million.*

Q7: The projected financial condition of the trust as of June 30, 2000?

A7: *At the Board's and KPMG's request, we have made projections of the financial condition of the trust at the end of the current year. Our conclusion from those projections was that the trust would continue to have enough money to cover all obligations plus a $5.1 million reserve for unexpected contingencies. As a result of the correction, we have revised our projection and now estimate that the contingency reserve will amount to approximately $8 million.*

What else has the error affected?

Q8: Did the error affect the contributions actually received by the trust?

A8: *No. The error applied to the calculation of contributions for the loss ratio reports. Actual contributions to the trust from employees, retirees and the City appear to have been correct.*

Q9: Did the error affect the rates being charged to employees and retirees for 1999-2000?

A9: *We do not believe so. We believe that the rates were calculated based on claims and enrolled members and not on contributions.*

Q10: Did the error influence the changes that were made in Plan 1 effective July 1, 1999?

A10: *We do not believe so. The plan changes were necessary to turn around the plan's financial condition, as documented by KPMG, and the high levels of claims that were being seen in 1998-99.*

What does the future hold?

Q11: How confident are we that there are no other errors to be discovered?

A11: *We have now received from Systems all of the reformatted reports that we requested, and we are not aware of any other errors in them. We are still working with the vendors on their reports, but we do not anticipate any difficulty in isolating the information that we need. Since this is our first time developing rates for the City, we will be using information that we have not used before. This increases the possibility that we will catch any errors that still exist.*

Q12: What is being done to guard against future errors?

A12: *We have asked Systems to produce reports that will enable us to calculate contributions and premiums for the HMOs and dental plans. When we receive these reports (expected in the next two months), we will be able to calculate total trust contributions and expenditures to balance against the trust's financial statement. This will not only give us a double-check on calculated amounts but should give us a way to eliminate the large "unallocated" items that have plagued the financial report to date.*

Another source of potential error is the complexity of the City's rate structure and its confusing historical documentation. The final step in this year's rate-setting process will be to develop complete rate tables for the Board's and staff's reference. In preparation for this step, we will get signed rate confirmations from all vendors.

SPECIAL APPEALS MEETING OF THE HEALTH SERVICE BOARD

Thursday, February 10, 2000
12:00 Noon

City Hall, Room 416
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

AGENDA

CALL TO ORDER

ROLL CALL

President Heldfond
Vice President Zvanski
Commissioner Deignan
Commissioner Fraser
Commissioner Katz
Commissioner Paretchan
Commissioner Welch

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02102000-01 ACTION ITEM: Public comment on all matters pertaining to the closed session.

Explanatory Documents provided to Board for this item: None.

Public Comments:

Action:

02102000-02 Closed session pursuant to Article 1, Section 1 of the California Constitution.

CONSIDERATION OF THE FOLLOWING APPEALS PURSUANT TO SECTION 12.200(5) OF THE CHARTER OF THE CITY AND COUNTY OF SAN FRANCISCO.

A. ACTION ITEM: Appeal of denial to cancel Delta Dental
(This item is continued from the January 13, 2000 meeting at the request of the Board)
(HSS # 38805)

Explanatory documents provided to Board for this item: Staff report and any correspondence between appellant and Health Service System staff relating to appeal.

Staff Recommendation: Deny the appeal.

Appellant's Comments:

Action:

B. ACTION ITEM: Appeal regarding application of $500.00 deductible for services rendered out of the PPO service area for member residing within the PPO service area.
(HSS # 19758)

Explanatory documents provided to Board for this item: Staff report and any correspondence between appellant and Health Service System staff relating to appeal.

Staff Recommendation: Deny the appeal.

Appellant's Comments:

Action:

02102000-03 Reconvene in open session:

(a) ACTION ITEM: Possible report on action taken in closed session. (Government Code section 54957.1(a)(2) and San Francisco Administrative code section 67.12(b)(2).)

Explanatory documents provided to Board for this item: None.

Public Comments:

Action:

(b) ACTION ITEM: Vote to elect whether to disclose any or all discussions held in closed session (San Francisco Administrative Code section 67.12(a).)

Explanatory documents provided to Board for this item: None.

Public Comment:

Action:

ADJOURNMENT

DISABILITY ACCESS

The meeting will be held at City Hall, #1 Dr. Carlton B. Goodlett Place, Room 416. The closest accessible BART Station is Civic Center, three blocks from City Hall. Accessible MUNI lines serving this location are: #42 Downtown Loop, and the #71 Haight/Noriega and the F Line to Market and Van Ness and the Metro stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services, call (415) 923-6142. There is accessible parking in the vicinity of City Hall at Civic Center Plaza adjacent to Davies Hall and the War Memorial Complex.

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KNOW YOUR RIGHTS UNDER THE SUNSHINE ORDINANCE

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HEALTH SERVICE BOARD

February 10, 2000

The Minutes of the special appeals meeting are missing.

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REGULAR MEETING OF THE HEALTH SERVICE BOARD

Thursday, February 10, 2000
12:30 PM

City Hall, Room 416
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

AGENDA

DOCUMENTS DEPT.

FEB - 8 2000

SAN FRANCISCO
PUBLIC LIBRARY

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

President Heldfond
Vice President Zvanski
Commissioner Deignan
Commissioner Fraser
Commissioner Katz
Commissioner Paretchan
Commissioner Welch

02102000-01 **ACTION ITEM: Approval (with possible modifications) of the minutes of the following meeting:**

-Regular Meeting of January 13, 2000.

Explanatory Documents Provided to Board for this item: Draft version of minutes.

Staff Recommendation: Approve draft minutes.

Public Comments:

Action:

02102000-02 DISCUSSION ITEM: Report of Acting Deputy Director of Human Resources, Health Services Division, and discussion with the Board, regarding the following matters:

- Introduction and overview of objectives
- Status of certification of 10-County Survey amount to the Board of Supervisors
- Current status of the processing of medical claims for City Plan 1.
- Current status of collections of amounts that were overpaid pursuant to the partial payment program and plans to recover amounts that are still due and owing.
- Scheduling of proposed strategic planning meeting.

02102000-03 ACTION ITEM: Presentation and acceptance (with possible modifications) of financial report of Towers Perrin, actuaries and consultants to the Health Service System.

Explanatory documents provided to Board for this item: Written report prepared by Towers Perrin will be provided at the meeting.

Staff Recommendation: Accept the report.

Public Comments:

Action:

02102000-04 ACTION ITEM: Presentation and acceptance (with possible modifications) of financial report by Health Service System staff.

Explanatory documents provided to Board for this item: Written report prepared by Health Service System staff.

Staff Recommendation: Accept the report.

Public Comments:

Action:

02102000-05 ACTION ITEM: Presentation and acceptance (with possible modifications) of the management letter issued by the auditors, KPMG, for the audited financial statements for Fiscal Year 98-99.

Explanatory documents provided to Board for this item: Management letter issued by KPMG.

Staff Recommendations:

- Discuss with the representative of KPMG attending the meeting and with Health Service System staff questions and concerns regarding issues raised in the management letter.
- Accept the management letter.
- Request the Finance and Budget Committee to follow up at its meetings on issues raised in the management letter and to report to the Board periodically on the progress made in addressing these issues.

Public Comments:

Action:

02102000-06 ACTION ITEM: Presentation, discussion and suggestions regarding plans for the upcoming Open Enrollment Period, followed by a determination by the Board of the time period in which the upcoming Open Enrollment will be conducted.

Explanatory documents provided to Board for this item: Statement of Open Enrollment costs for the two most recent Open Enrollments.

Staff Recommendations:

- Provide comments and suggestions to the Health Service System staff regarding Open Enrollment.
- Approve the proposed Open Enrollment period.

Public Comments:

Action:

02102000-07 DISCUSSION ITEM: Presentation by Commissioner Fraser, Chair of the Customer Service Task Force, of the initial report and recommendations of the Task Force relating to suggested changes and improvements in the way in which Open Enrollment for the Plan Year 2000-2001 should be handled.

Explanatory documents provided to Board for this item: 1). Minutes of 1/20 and 2/3 meetings; 2). Hss staff list of problems with IVR; and 3). Recommendations regarding upcoming Open Enrollment.

02102000-08 **ACTION ITEM: Report on status of contracts with vendors for Fiscal Year 99-00 and resolution by the Board of any open issues in those contracts that must be resolved by the Board.**

Explanatory documents provided to Board for this item: Summary of contract status prepared by Health Service System staff.

Staff Recommendations:

- Direct Health Service System staff and applicable vendors to complete the contracts no later than the next regular meeting of the Board.
- Require any vendor whose contract is not completed to provide a detailed explanation at the next regular meeting of the Board, and require the same from Health Service System staff.

Public Comments:

Action:

02102000-09 **ACTION ITEM: Determination of the course of action to be taken with respect to medical plans (in addition to City Plan 1) to be offered to Health Service members in the Hetch Hetchy area for Fiscal Year 2000-2001.**

Explanatory documents provided to Board for this item: None.

Staff Recommendation: After discussion with the current HMO vendors and Towers Perrin regarding available medical plans in the Hetch Hetchy area, decide whether to solicit proposals for additional medical plans in that area.

Public Comments:

Action:

02102000-10 **ACTION ITEM: Discussion regarding the current benefits provided under City Plan 1 with respect to members who reside within the area covered by the Preferred Provider Organization, but then travel outside of that area and need to use the Plan while away from home; followed by a determination by the Board as to whether any changes should be made.**

Explanatory documents provided to Board for this item: None.

Staff Recommendation: Request the Rates and Benefits Committee to evaluate possible changes.

Public Comments:

Action:

02102000-11 ACTION ITEM: Change in Rules and Regulations to specify the status and role of the *ex-officio* members of the Rates and Benefits Committee and the Finance and Budget Committee.

Explanatory documents provided to Board for this item: Draft of proposed changes to Rules and Regulations.

Staff Recommendation: Adopt the proposed changes.

Public Comments:

Action:

02102000-12 DISCUSSION ITEM: Report by Commissioner Welch, Chair of the Rates and Benefits Committee, regarding the activities of the Committee.

Explanatory documents provided to Board for this item: None.

02102000-13 DISCUSSION ITEM: Report by Commissioner Zvanski, Chair of the Finance and Budget Committee, regarding the activities of the Committee.

Explanatory documents provided to Board for this item: None.

02102000-14 DISCUSSION ITEM: Opportunity to place items on future agendas.

02102000-15 DISCUSSION ITEM: Opportunity for the public to comment on any matters within the Board's jurisdiction.

Public Comments:

ADJOURNMENT

DISABILITY ACCESS

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REGULAR MEETING OF
THE HEALTH SERVICE BOARD

Thursday, February 10, 2000
12:30 PM

City Hall, Room 416
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

M I N U T E S

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APR - 6 2000

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PUBLIC LIBRARY

CALL TO ORDER 12:36 PM

PLEDGE OF ALLEGIANCE

ROLL CALL

President Heldfond	(Arrived at 12:46pm)
Vice President Zvanski	Present
Commissioner Deignan	Present
Commissioner Fraser	Present
Commissioner Paretchan	Present
Commissioner Welch	(Arrived at 12:36pm)

02102000-01 ACTION ITEM: Approval (with possible modifications) of the minutes of the following meeting:

-Regular Meeting of January 13, 2000.

Explanatory Documents Provided to Board for this item: Draft version of minutes.

Staff Recommendation: Approve draft minutes.

Public Comments:

Action: Moved and seconded to accept the Regular Meeting Minutes of January 13, 2000. Motion passed 5-0.

Andrea Gourdine, Human Resources Director, notified the Board of the following personnel changes.

1) Ann Sommercamp is no longer the HSS Deputy Director and Bart Duncan is the acting Deputy Director. A search is underway for a Board Counsel.
2) Yvonne Hudson, the Senior Personnel officer at the Dept. of Human Services, will join the HSS Management staff.
3) John Madden, former Assistant Chief Controller, will join the HSS staff to assist with finance and systems development.

02102000-02 **DISCUSSION ITEM: Report of Acting Deputy Director of Human Resources, Health Services Division, and discussion with the Board, regarding the following matters:**

- **Introduction and overview of objectives.**
  Mr. Duncan presented an overview of his objectives focusing on communications, customer service, systems and finance. (Exhibit '1').

- **Status of certification of 10 County Survey amount to the Board of Supervisors.**
  The 10 County survey has been submitted to the Board of Supervisors and will be calendared.

- **Current status of the processing of medical claims for City Plan 1.**
  The medical claims backlog is under control. Fewer medical claims are being received. (Exhibit '2').

- **Scheduling of proposed strategic planning meeting.**
  Board members are asked to make their April availabilities known to Ms. Palarca to enable scheduling of the Strategic Planning Committee meeting.

02102000-03 **ACTION ITEM: Presentation and acceptance (with possible modifications) of financial report of Towers Perrin, actuaries and consultants to the Health Service System.**

Explanatory documents provided to Board for this item: Written report prepared by Towers Perrin was provided at the meeting. (Exhibit '3').

Mr. Kramer, Towers Perrin Actuary, presented the Consultant's Report covering the month of January 2000. He projected the net assets available for benefits by year-end to be $11M. He commended the system's support in obtaining timely data.

Public Comments: 1) Jean Thomas, Retiree, asked if 3-6 months reserve is a reasonable target for the Trust Fund.
2) Bernard Crotty, Retiree, questioned the $11.1 M reserve.

Action: Moved and seconded to accept the report. Motion passed 6-0.

02102000-04 **ACTION ITEM: Presentation and acceptance (with possible modifications) of financial report by Health Service System staff.**

Explanatory documents provided to Board for this item: Written report prepared by Health Service System staff. (Exhibit '4').

Patricia Wu, HSS Financial Analyst, presented her report and stated the unallocated monies have dropped from $20.5M to $10.5M. Ms. Wu further stated system corrections are still made and the posting is behind by one month.

Staff Recommendation: Accept the report.

Public Comments: 1) Nancy Gin, Retiree, questioned the $3M that was not included in the auditor's report.

Action: Moved and seconded to accept the report. Motion passed 6-0.

02102000-05 **ACTION ITEM: Presentation and acceptance (with possible modifications) of the management letter issued by the auditors, KPMG, for the audited financial statements for Fiscal Year 98-99.**

Explanatory documents provided to Board for this item: Management letter issued by KPMG. (Exhibit '5').

Denise Price, KPMG Partner, addressed the Board and was encouraged by the changes that were being implemented. Many of these changes were, in fact, internal controls addressed in the Management letter. Reinhard Klemmer, KPMG Audit Manager, reviewed with the Board the material weaknesses and other reportable conditions referred to in the management letter.

Mr. Heldfond, HSB President, noted that the management responses were prepared by the former HSS Deputy Director and he requested the HSS Acting Director have the opportunity to update the management responses.

Staff Recommendations: Accept the management letter.

Public Comments: 1) Bernard Crotty, Retiree, addressed the management letter issues.

2) Jerry de Ryan, Retiree, discussed the lack of interface of the HSS computer system with other City systems and requested a management audit to look on the eligibility of all beneficiaries.

Action: Moved and seconded to accept the Management Letter, subject to Mr. Duncan's comments at the March regular meeting.

Motion passed 6-0.

02102000-06 **ACTION ITEM: Presentation, discussion and suggestions regarding plans for the upcoming Open Enrollment Period, followed by a determination by the Board of the time period in which the upcoming Open Enrollment will be conducted.**

Explanatory documents provided to Board for this item: Statement of Open Enrollment costs for the two most recent Open Enrollment. (Exhibit '6').

Mr. Duncan presented an overview of the Open Enrollment Process and introduced Diane Ferrari, the Open Enrollment Team Leader. Ms. Ferrari noted the following:

- A paycheck stuffer is being prepared and will accompany the 2/29 checks. This stuffer urges employees to update their home address with their Personnel Department.
- A similar message is planned for the CCSF Retiree Bulletin.
- The Open Enrollment Application is being redesigned.
- The proposed Open Enrollment Period for Plan Year 2000-2001 would be only 3 weeks.

At this point, the Board members expresssed concerns about the sufficiency of a 3-week period.

Public Comments:

1) Jean Thomas, Retiree, suggested open enrollment materials be sent in advance of the open enrollment start date.
2) Bill Fiori, IFPTE/Local 21, requested the Board to require a 4-week open enrollment period.
3) Flora Zagorites, CA Retired Teachers Assoc., requested address changes be sent to HSS.
4) Kevin Hughes, Business Representative, IBEW, Loc. 6 supported the 4-week open enrollment.

5) Denis Kruger, Firefighter, thought the abbreviated Open Enrollment period could be a "meet and confer" issue.
6) Jerry de Ryan, Retiree, also cited concern about the 3-week open enrollment period.

Action: An amended motion was made, seconded and passed to establish the Open Enrollment dates from April 17 through May 12, 2000. Members will be able to make Open Enrollment changes at HSS, 1145 Market Street, 2nd Floor from April 17 through April 21 and at the Ramada Plaza Hotel from April 24 through May 12. Motion passed 6-0.

NOTE: The meeting recessed at 2:41PM and reconvened at 2:51PM.

02102000-07 **DISCUSSION ITEM: Presentation by Commissioner Fraser, Chair of the Customer Service Task Force, of the initial report and recommendations of the Task Force relating to suggested changes and improvements in the way in which Open Enrollment for the Plan Year 2000-2001 should be handled.**

Explanatory documents provided to Board for this item: 1). Minutes of 1/20 and 2/3 meetings; 2). Hss staff list of problems with IVR; and 3). Recommendations regarding upcoming Open Enrollment. (Exhibits '7', '8', '9').

Commissioner Fraser addressed the Board regarding the two Customer Service Task Force meetings and reviewed these minutes, the IVR problems from the last open enrollment and recommendations for the upcoming Open Enrollment. A third meeting is scheduled for February 24th.

Public Comments: None.

Action: Motion was made and seconded to accept the report. Motion passed 6-0.

02102000-08 **ACTION ITEM: Report on status of contracts with vendors for Fiscal Year 99-00 and resolution by the Board of any open issues in those contracts that must be resolved by the Board.**

Explanatory documents provided to Board for this item: Summary of contract status prepared by Health Service System staff. (Exhibit '10').

Staff Recommendations:

- Direct Health Service System staff and applicable vendors to complete the contracts no later than the next regular meeting of the Board.

- Require any vendor whose contract is not completed to provide a detailed explanation at the next regular meeting of the Board, and require the same from Health Service System staff.

Public Comments: None.

Action: Item is carried forward to the March 9th meeting.

02102000-09 **ACTION ITEM: Determination of the course of action to be taken with respect to medical plans (in addition to City Plan 1) to be offered to Health Service members in the Hetch Hetchy area for Fiscal Year 2000-2001.**

Explanatory documents provided to Board for this item: None.

Mr. Duncan described the difficult situation at Hetch Hetchy created by the lack of any HMO plans after July 1, 2000. Mr. Roland Mittica, Towers Perrin Consultant, noted that many physicians and health care providers in rural areas are leaving HMOs. Mr. Duncan stated that although the City Attorney's has been consulted, the Charter is without specific directions and guidelines in this specific instance. Cross-subsidies to finance lower Hetch Hetchy rates would set a dangerous precedent.

2) Public Comments:

1) Dorothy Bowman, PUC Personnel Officer, illustrated and described the difficulties in attracting qualified employees to a remote area. She indicated that without sufficient health benefits choices, her job would become more difficult. Ms. Bowman noted that Hetch Hetchy last year contributed $40M to the CCSF General Fund.
2) Alexis Halstead, Hetch Hetchy Superintendent of Operations, commented on the older Hetch Hetchy population and that approximately 44% are due to retire.
3) Debbie Wright, Hetch Hetchy Operations Chief Clerk, described the inequities of health benefits at Hetch Hetchy. Ms. Wright informed the Board that CCSF employees residing in three counties get all health options while those residing in Tuolumne county do not. She urged the Board to explore a more equitable plan for health benefits.
4) Laurie Park, Acting General Manager, Hetch Hetchy Water & Power, cited the personnel retention problems at Hetch Hetchy and the difficulties in attracting valuable and experienced personnel.

5) Larry Klein, Assistant General Manager, PUC, urged the Board to identify competitive health benefits for the Hetch Hetchy employees.
6) Ray Sullivan, MEA, supported the commentary of the previous speakers.
7) Tom Moore, Jr., Health Benefit Consultant to IFPTE/Local 21, noted that similar situations have been worked out with HMOs and that the City owes employees a full range of health benefit choices.

Action: A motion was made and seconded not to provide any health benefit subsidy towards a PPO plan for the Hetch Hetchy residents for the Plan Year 2000-2001. The motion passed 4-2 (Commissioners Deignan & Zvanski dissenting).

02102000-10 **ACTION ITEM: Discussion regarding the current benefits provided under City Plan 1 with respect to members who reside within the area covered by the Preferred Provider Organization, but then travel outside of that area and need to use the Plan while away from home; followed by a determination by the Board as to whether any changes should be made.**

Explanatory documents provided to Board for this item: None.

Staff Recommendation: Request the Rates and Benefits Committee to evaluate possible changes.

Public Comments: None.

Action: Agenda item referred to Rates & Benefits Committee for the February 28th meeting.

02102000-11 **ACTION ITEM: Change in Rules and Regulations to specify the status and role of the *ex-officio* members of the Rates and Benefits Committee and the Finance and Budget Committee.**

Explanatory documents provided to Board for this item: Draft of proposed changes to Rules and Regulations. (Exhibit '11').

President Heldfond announced the resignation of Supervisor Katz from the Health Service Board. A discussion was then held about ex-officio committee members.

Staff Recommendation: Adopt the proposed changes.

Public Comments: None.

Action: A motion was seconded and passed to approve a change in the rules to permit up to two (2) ex-officio, non voting committee members. Motion passed 6-0.

02102000-12 **DISCUSSION ITEM: Report by Commissioner Welch, Chair of the Rates and Benefits Committee, regarding the activities of the Committee.**

Explanatory documents provided to Board for this item: None.

Commissioner Welch briefly reviewed the January 28 Rates & Benefits Committee meeting and recommended a full Board and a meeting before March 9.

02102000-13 **DISCUSSION ITEM: Report by Commissioner Zvanski, Chair of the Finance and Budget Committee, regarding the activities of the Committee.**

Explanatory documents provided to Board for this item: None.

Commissioner Zvanski reported on progress with both the general fund and trust fund budgets.

02102000-14 **DISCUSSION ITEM: Opportunity to place items on future agendas.**

It was suggested the Rates & Benefits and Finance/Budget Committee reports appear at the beginning rather than the end of future agendas.

Public Comments: Denis Kruger, Firefighter, inquired about any changes to the Delta Dental Plan and indicated that members are being asked for greater payouts. HSS will look into this situation.

02102000-15 **DISCUSSION ITEM: Opportunity for the public to comment on any matters within the Board's jurisdiction.**

Public Comments: None.

ADJOURNMENT 3:55 PM.

SPECIAL MEETING OF THE HEALTH SERVICE BOARD

Monday, March 6, 2000
8:30 AM

City Hall, Room 400
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

AGENDA

DOCUMENTS DEPT.

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PLEDGE OF ALLEGIANCE

CALL TO ORDER

ROLL CALL

President Heldfond
Vice President Zvanski
Commissioner Deignan
Commissioner Fraser
Commissioner Paretchan
Commissioner Welch
Commissioner Yee

03062000-01SP **ACTION ITEM:**

1. **Report from Rates and Benefits Committee regarding general rates and benefits issues for fiscal year 2000-2001.**

2. **Possible determination by Health Service Board of such issues.**

Explanatory Documents Provided to Board for this item: Report from Towers Perrin.

Public Comments:

Action:

03062000-02SP **ACTION ITEM:**

1. **Report from Rates and Benefits Committee regarding the rates & benefits for dental, vision and chemical dependency plans for fiscal year 2000-2001.**
2. **Possible determination by Health Service Board of such rates and benefits.**

Explanatory Documents Provided to Board for this item: Report from Towers Perrin.

Public Comments:

Action:

03062000-03SP **ACTION ITEM:**

1. **Report from Rates and Benefits Committee regarding the rates & benefits for HMOs for fiscal year 2000-2001.**
2. **Possible determination by Health Service Board of such rates and benefits.**

Explanatory Documents Provided to Board for this item: Report from Towers Perrin.

Public Comments:

Action:

03062000-04SP **ACTION ITEM:**

1. **Report from Rates and Benefits Committee regarding the rates and benefits for City Plan 1 for fiscal year 2000-2001.**
2. **Possible determination by Health Service Board of such rates and benefits.**

Explanatory Documents Provided to Board for this item: Report from Towers Perrin.

Public Comments:

Action:

03062000-05SP **DISCUSSION ITEM: Opportunity to place items on future agendas.**

03062000-06SP **DISCUSSION ITEM: Opportunity for the public to comment on any matters within the Board's jurisdiction.**

Public Comments:

ADJOURNMENT:

DISABILITY ACCESS

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SPECIAL MEETING OF THE HEALTH SERVICE BOARD

Monday, March 6, 2000
8:30 AM

City Hall, Room 400
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

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PLEDGE OF ALLEGIANCE

CALL TO ORDER 8:39 am

ROLL CALL

President Heldfond	Present
Vice President Zvanski	Present
Commissioner Deignan	Present
Commissioner Fraser	Present
Commissioner Paretchan	Present
Commissioner Welch	Present
Commissioner Yee	Absent

Mr. Duncan introduced Rebecca Saroyan, Deputy City Attorney, as the new Health Service System counsel.

Mr. Michael Kramer, Towers Perrin Actuary, distributed Exhibit '1' Summary of 2000-2001 Rates and Benefits.

03062000-01SP **ACTION ITEM:**

1. **Report from Rates and Benefits Committee regarding general rates and benefits issues for fiscal year 2000-2001.**

2. **Possible determination by Health Service Board of such issues.**

Commissioner Welch delivered a report on behalf of the Committee and noted that there were four open items to be resolved during the course of the meeting. The four issues were: 1) The Health Net rate issue; 2) Payment errors for the HMOs; 3) Other Enrollment categories i.e. Kaiser rates, report on 200 different rates; and 4) The $225 subsidy.

Explanatory Documents Provided to Board for this item: Summary of 2000-2001 Rates & Benefits Activity Report from Towers Perrin.

Public Comments: None.

Action: Commissioner Welch suggested these issues be in connection with the appropriate agenda items below.

03062000-02SP **ACTION ITEM:**

1. **Report from Rates and Benefits Committee regarding the rates & benefits for dental, vision and chemical dependency plans for fiscal year 2000-2001.**

2. **Possible determination by Health Service Board of such rates and benefits.**

Explanatory Documents Provided to Board for this item: Report from Towers Perrin attached as Exhibit '2'.

A. Dental

Roland Mitica of Towers Perrin presented the report regarding dental rates and benefits.

Public Comments: None.

Action: Moved and seconded to accept the dental rates, including fully-insured rates for retirees. The motion passed 6-0.

B. Vision

Ms. Janet Findlay, VSP Vice President, provided an overview of the VDT program.

Commissioner Paretchan confirmed with Ms. Findlay that a member could obtain an annual eye exam when a 0.5 diopter change occurs.

A motion was made but failed (3-3) to approve annual eye exam. A second motion was made and seconded to remain with the current vision plan. Motion passed 4-2. Commissioners Fraser and Deignan dissenting.

Public Comments: 1) Dennis Kruger, Firefighter, stated that although some members may need an annual eye exam, some may not want to pay for it.

2) Joanne Haggerty, Health Net, discussed the Health Net eye exam policy.

3) Anita Wasserburger, PacifiCare, discussed the PacifiCare eye exam policy.

C. Chemical Dependency

The Board expressed disappointment that a UBH representative was not available.

A motion was made and passed (6-0) to review the benefit with a UBH representative at the next meeting..

Public Comment: Diane Hermann, Retiree, requested the contract language be reviewed and that the open enrollment booklets for retirees clearly state that benefit.

A recess was taken at 10:56 AM and the Board reconvened at 11:06AM.

03062000-03SP **ACTION ITEM:**

1. **Report from Rates and Benefits Committee regarding the rates & benefits for HMOs for fiscal year 2000-2001.**

2. **Possible determination by Health Service Board of such rates and benefits.**

Explanatory Documents Provided to Board for this item: Report from Towers Perrin attached as Exhibit '3'.

Mr. Roland Mittica, Towers Perrin consultant, summarized the HMO renewals (page 12) and Medicare-choice rate increases (Appendix D). Commissioner Welch reviewed the outstanding issues: 1) standardizing the ER copay; 2) adding the chiropractic benefit to the HMO's plan and 3) the allergy benefit.

Public Comments: None.

Action: A motion was made and seconded to accept scenarios K-8, H-4 and P-2. President Heldfond indicated he supported the motion and asked for clarification as to whether gap dollars would be allocated to HMO dependent costs. A discussion was held after which the motion was amended and seconded to hold any gap dollars in a collective reserve for HMOs. The motion passed 6-0.

03062000-04SP **ACTION ITEM:**

1. **Report from Rates and Benefits Committee regarding the rates and benefits for City Plan 1 for fiscal year 2000-2001.**
2. **Possible determination by Health Service Board of such rates and benefits.**

Explanatory Documents Provided to Board for this item: Report from Towers Perrin attached as Exhibit '4'.

Mr. Mike Kramer, Towers Perrin Actuary provided an overview Plan 1 rates (Pages 18, 19, 20). Ms. Edna Erfe, Medical Claims Supervisor for the City Health Plan, explained the ambulance service benefit.

Public Comments: None.

Action: A motion was made and seconded to approve scenario 6 (page F-2). The motion passed 5-0.

03062000-05SP **DISCUSSION ITEM: Opportunity to place items on future agendas.**

Commissioner Welch requested that the HMOs clarify their positions regarding the surcharges for those who fail to enroll in or assign their Medicare.

Mr. Duncan stated a resolution would be developed for the March 9 meeting outlining all changes and rates.

Commissioner Paretchan requested consideration be given to starting this entire open enrollment process two months earlier.

03062000-06SP **DISCUSSION ITEM: Opportunity for the public to comment on any matters within the Board's jurisdiction.**

Public Comments:

1) Jane Fronk, Kaiser, explained the Kaiser rates.

2) Joanne Haggerty, Health Net, noted that Health Net does not have a surcharge.

ADJOURNMENT: 11:53AM

Health Service System
1145 Market Street, 2nd Floor
San Francisco, CA 94103

Government Information Center
SF Public Library
100 Larkin Street, Civic Center
San Francisco, CA 94102

SPECIAL MEETING OF THE HEALTH SERVICE BOARD

Thursday, March 9, 2000
12:00 PM (Noon)

City Hall, Room 416
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

AGENDA

CALL TO ORDER

ROLL CALL

President Heldfond
Vice President Zvanski
Commissioner Deignan
Commissioner Fraser
Commissioner Paretchan
Commissioner Welch
Commissioner Yee

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03092000-01 ACTION ITEM: Public comment on all matters pertaining to the closed session.

Explanatory Documents provided to Board for this item: None.

Public Comments:

Action:

03092000-02 Closed session pursuant to Article 1, Section 1 of the California Constitution.

CONSIDERATION OF THE FOLLOWING APPEALS PURSUANT TO SECTION 12.200(5) OF THE CHARTER OF THE CITY AND COUNTY OF SAN FRANCISCO.

(a) **ACTION ITEM: Appeal of denial of claims submitted to Health Service after two (2) years from the date of service. (HSS # 29725-00).**

Explanatory documents provided to Board for this item: Staff report and any correspondence between appellant and Health Service System staff relating to appeal.

Staff Recommendation: Deny the appeal.

Appellant's Comments:

Action:

03092000-03 **Reconvene in open session:**

(a) **ACTION ITEM: Possible report on action taken in closed session. (Government Code section 54957.1(a)(2) and San Francisco Administrative code section 67.12(b)(2)).**

Explanatory documents provided to Board for this item: None.

Public Comments:

Action:

(b) **ACTION ITEM: Vote to elect whether to disclose any or all discussions held in closed session (San Francisco Administrative Code section 67.12(a)).**

Explanatory documents provided to Board for this item: None.

Public Comment:

Action:

03092000-04 **ACTION ITEM: Vote on whether to hold closed session to confer with legal counsel. (San Francisco Administrative Code section 67.10(d)).**

Explanatory Documents provided to Board for this item: None.

Staff Recommendation: Hold closed session.

Public Comments:

Action:

03092000-05 **Closed session pursuant to Government Code section 54956.9 and San Francisco Administrative Code section 67.10(d).**

CONFERENCE WITH LEGAL COUNSEL: ANTICIPATED LITIGATION: (Action Item)

Number of potential cases and existing circumstances: 51, since 51 vendors will have offsets made against future payments due to the vendors.

Health Service Trust Fund and City and County of San Francisco, as defendants.

03092000-06 **Reconvene in open session:**

(a) **ACTION ITEM: Possible report on action taken in closed session. (Government Code section 54957.1(a)(2) and San Francisco Administrative Code section 67.12(b)(2)).**

Public Comments:

Action:

(b) **ACTION ITEM: Vote to elect whether to disclose any or all discussions held in closed session (San Francisco Administrative Code section 67.12(a)).**

Public Comments:

Action:

03092000-07 **DISCUSSION ITEM: Opportunity to place items on future agendas.**

03092000-08 **DISCUSSION ITEM: Opportunity for the public to comment on any matters within the Board's jurisdiction.**

Public Comments:

ADJOURNMENT:

DISABILITY ACCESS

The meeting will be held at City Hall, #1 Dr. Carlton B. Goodlett Place, Room 400. The closest accessible BART Station is Civic Center, three blocks from City Hall. Accessible MUNI lines serving this location are: #42 Downtown Loop, and the #71 Haight/Noriega and the F Line to Market and Van Ness and the Metro stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services, call (415) 923-6142. There is accessible parking in the vicinity of City Hall at Civic Center Plaza adjacent to Davies Hall and the War Memorial Complex.

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In order to assist the City's effort to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City accommodate these individuals.

KNOW YOUR RIGHTS UNDER THE SUNSHINE ORDINANCE

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, Boards, Councils and other agencies of the City and County exist to conduct the people's business. The Sunshine Ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact Rachel Arnstine-O'Hara by mail to Administrative Services, #1 Dr Carlton B. Goodlett Place, Room 362, by phone at (415) 554-6171, by fax at (415) 554-6177 or by email at Rachel_ArnstineO'Hara@ci.sf.ca.us

Citizens interested in obtaining a copy of the Sunshine Ordinance can request a copy from Ms. Arnstine-O'Hara or by printing Chapter 67 of the San Francisco Administrative Code on the Internet, at http://ww.amlegal.com/sanfran/viewcode.htm

HEALTH SERVICE BOARD

March 9, 2000

The Minutes of the special meeting are missing.

San Francisco Public Library
Government Information Center

REGULAR MEETING OF THE HEALTH SERVICE BOARD

Thursday, March 9, 2000
1:00 PM

City Hall, Room 416
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

AGENDA

PLEDGE OF ALLEGIANCE

CALL TO ORDER

ROLL CALL

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President Heldfond
Vice President Zvanski
Commissioner Deignan
Commissioner Fraser
Commissioner Paretchan
Commissioner Welch
Commissioner Yee

03092000-01 **ACTION ITEM: Approval (with possible modifications) of the minutes of the regular meeting of February 10, 2000.**

Explanatory Documents provided to Board for this item: Draft minutes.

Staff Recommendation: Approve draft minutes.

Public Comments:

Action:

SUMMARY OF HEALTH SERVICE SYSTEM RULES REGARDING PUBLIC COMMENT

- Speakers are urged to fill out a speaker card in advance, but may remain anonymous if so desired.
- A member of the public has up to three minutes to make *pertinent* public comments before action is taken on any agenda item.
- A member may comment on *any* matter within the Board's jurisdiction at the designated time at the end of the meeting.

The complete rules are set forth in Section A(6) of the Health Service System Rules and Regulations A copy of these Rules and Regulations is available at any time upon request. Call Mila Palarca at 554-2479.

03092000-02 **DISCUSSION ITEM: Report of Health Service System Staff and Legal Counsel regarding the following matters:**

- Introduction of Senior Staff and Counsel. (Bart Duncan)
- Appointment of Supervisor Leland Yee to the Board. (Bart Duncan)
- Status of Certification of the 10-County Survey amount to Board of Supervisors. (Bart Duncan)
- Update on management's response to KPMG management letter. (Bart Duncan)
- Status of contracts. (Bart Duncan)
- Current status of processing of medical claims for Plan 1. (Edna Erfe)
- Update on Open Enrollment. (Diana Ferrari)
- Plan for collection of overpayments. (Nathan Ballard, Deputy City Attorney)

Explanatory documents provided to Board for this item: None.

03092000-03 **ACTION ITEM: Presentation and acceptance (with possible modifications) of financial report of Towers Perrin, Actuaries and Consultants to the Health Service System.**

Explanatory Documents Provided to Board for this item: Draft report.

Staff Recommendation: Accept Report.

Public Comments:

Action:

03092000-04 **ACTION ITEM: Presentation and acceptance (with possible modifications) of financial report by Patricia Wu, Finance and Accounting Manager.**

Explanatory documents provided to Board for this item: Draft report.

Staff Recommendation: Accept report.

Public Comments:

Action:

03092000-05 **DISCUSSION ITEM: Presentation by Commissioner Fraser, Chair of the Customer Service Task Force.**

Explanatory documents provided to Board for this item: None.

03092000-06 **ACTION ITEM: Report from Finance and Budget Committee regarding its activities and regarding the following recommendations of the Committee:**

(a) Presentation and adoption of resolution regarding expenditure for the upcoming open enrollment of certain expenses for the dissemination of information from the Trust Fund.

(b) Presentation and adoption of resolution regarding certain audit expenditures in fiscal year 1999-2000 from the Trust Fund.

Explanatory Documents Provided to Board for this item: Draft resolutions for items (a) and (b) above.

Public Comments:

Action:

03092000-07 **ACTION ITEM: Presentation and adoption of resolution confirming rates and benefits for fiscal year 2000-2001, as specified at the special meeting of the Board on March 6, 2000.**

Explanatory documents provided to Board for this item: Draft resolution.

Staff Recommendation: Adopt resolution.

Public Comments:

Action:

03092000-08 **ACTION ITEM: Discussion of any remaining issues concerning rates and benefits for fiscal year 2000-2001, and a decision resolving each issue for purposes of such fiscal year.**

Explanatory documents provided to Board for this item: None.

Staff Recommendation: Resolve any and all remaining issues for fiscal year 2000-2001.

Public Comments:

Action:

03092000-09 **ACTION ITEM: Presentation and adoption of resolution commending Health Service System employee Venancio Arcega upon his retirement.**

Explanatory documents provided to Board for this item: Draft resolution.

Staff Recommendation: Adopt the resolution.

Public Comments:

Action:

03092000-10 **ACTION ITEM: Presentation and adoption of modification to Health Service System Rules and Regulations, to provide eligibility for all dependent children until age 25, regardless of student status.**

Explanatory documents provided to Board for this item: Draft modification to Rules and Regulations.

Staff Recommendation: Adopt the modification.

Public Comments:

Action:

03092000-11 **DISCUSSION ITEM: Opportunity to place items on future agendas.**

03092000-12 **DISCUSSION ITEM: Opportunity for the public to comment on any matters within the Board's jurisdiction.**

Public Comments:

ADJOURNMENT:

REGULAR MEETING OF THE HEALTH SERVICE BOARD

Thursday, March 9, 2000
1:00 PM

City Hall, Room 400
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

MINUTES

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PUBLIC LIBRARY

PLEDGE OF ALLEGIANCE

CALL TO ORDER 1:12 PM

ROLL CALL

President Heldfond	Excused
Vice President Zvanski	Present
Commissioner Deignan	Present
Commissioner Fraser	Present
Commissioner Paretchan	Present
Commissioner Welch	Present
Commissioner Yee	Excused

03092000-01 **ACTION ITEM: Approval (with possible modifications) of the minutes of the following meeting:**

- **February 10, 2000.**

Explanatory Documents provided to Committee for this item: Draft version of minutes.

Commissioner Zvanski requested changes be made to the February 10, 2000 minutes.

Staff Recommendation: Approve draft minutes.

Public Comments: None.

Action: Motion was made and seconded to approve the February 10, 2000 minutes as amended. Motion passed 5-0 (Exhibit '1').

03092000-02 **DISCUSSION ITEM: Report of the Acting Deputy Director of Human Resources, Health Service Division, and discussion with the Board regarding the following matters:**

- **Introduction of Senior Staff and Counsel.**
  Mr. Duncan explained the significant role of Senior Staff and Counsel as provided in the organization chart prepared by the Assistant Deputy Director.

- **Appointment of Supervisor Leland Yee to the Board.**
  Mr. Duncan announced Supervisor Leland Yee, Member of the Board of Supervisors, as the new Health Service Board member.

- **Status of Certification of 10 County Survey amount to Board of Supervisors.**
  Supervisor Leland Yee recommended approval of the Certification of the 10-Survey amount to the Board of Supervisors.

- **Update on management's response to KPMG management letter.**
  Mr. Duncan discussed the material weaknesses cited in the KPMG management letter and status of efforts to address them.

- **Status of contracts.**
  An updated status sheet of contracts was provided to the Board and the public. (Exhibit '2')

- **Current status of processing of medical claims for Plan 1.**
  Ms. Edna Erfe, Medical Claims Supervisor, reported a slight increase in the number of pending claims, the reasons for the increase, and the plan to address it. (Exhibit '3')

- **Update on Open Enrollment.**
  Ms. Diana Ferrari reported on the status of Open Enrollment. During the first week of open enrollment, the 1145 Market Street Conference Room on the second floor will be utilized. Weeks two through four will take place at the Ramada Hotel. Open Enrollment booklets should be finalized by March 31st. Arrangements have been made for telephones and computer hook-ups at the Ramada. Draft Open Enrollment booklets were provided to the public for comment.

  Mr. Duncan acknowledged the significant contribution of Commissioner Fraser in helping with the Open Enrollment materials.

- **Plan for collection of overpayments.**
  Mr. Nathan Ballard, Deputy City Attorney, reported on the plan for collection of overpayments.

Explanatory documents provided to Board for this item: None.

03092000-03 **ACTION ITEM: Presentation and acceptance (with possible modifications) of financial report of Towers Perrin, Actuaries and Consultants to the Health Service System.**

Explanatory Documents Provided to Board for this item: Draft report.

Mr. Mike Kramer, Towers Perrin Actuary, presented the Consultant's Report covering the month of February. Mr. Kramer discussed the financial results for February.

Staff Recommendation: Accept Report.

Public Comments: Nancy Gin, Retiree, questioned the reduction on the loss ratio.

Action: Moved and seconded to accept report. Motion passed 5-0 Exhibit '4'.

03092000-04 **ACTION ITEM: Presentation and acceptance (with possible modifications) of financial report by Patricia Wu, Finance and Accounting Manager.**

Explanatory documents provided to Board for this item:

Patricia Wu, HSS Financial Analyst, presented her report.

Staff Recommendation: Accept report.

Public Comments: None.

Action: Moved and seconded to accept report. Motion passed 5-0 (Exhibit '5').

03092000-05 **DISCUSSION ITEM: Presentation by Commissioner Fraser, Chair of the Customer Service Task Force.**

Explanatory documents provided to Board for this item: None.

Commissioner Fraser reported on the next step to take during Open Enrollment. Forms were reviewed by the Task Force for their input. Next meeting of the Task Force is June 2000.

03092000-06 **ACTION ITEM: Report from Finance and Budget Committee regarding its activities and regarding the following recommendations of the Committee:**

(a) Presentation and adoption of resolution regarding expenditure for the upcoming open enrollment of certain expenses for the dissemination of information from the Trust Fund.
(b) Presentation and adoption of resolution regarding certain audit expenditures in fiscal year 1999-2000 from the Trust Fund.

Explanatory documents provided to Board for this item: Draft resolutions for items (a) and (b) above.

Staff Recommendation: Accept resolutions (a) and (b).

Public Comments: None.

Action: Moved and seconded to accept resolutions (a) and (b) with amendments. Motion passed 5-0. Exhibits '6' and '7'.

03092000-07 **ACTION ITEM: Presentation and adoption of resolution confirming rates and benefits for fiscal year 2000-2001, as specified at the special meeting of the Board on March 6, 2000.**

Explanatory documents provided to Board for this item: Draft resolution and report from Towers Perrin, including rate charts attached as Exhibit '6'.

Mr. Mike Kramer, Towers Perrin, presented his report on the rates referring to the handouts.

Commissioner Welch reported on the resolution confirming the rates voted on by the full Board of the March 6 Rates & Benefits meeting.

Mr. Duncan pointed out that there were some significant steps forward on the whole issue of reconciliation with vendors. He thanked and acknowledged Towers Perrin and the help of the three HMOs on this issue.

Discussion was held among the Board, staff and Towers Perrin regarding the scope of Vision Care coverage.

Staff Recommendation: Adopt resolution.

Public Comments: 1) John Lehane, Retiree, asked a question about the Retiree rates.

Diane Hermann, Retiree, commented on a Chemical Dependency brochure.

Action: Moved and seconded to adopt the resolution and to confirm the rates and benefits for fiscal year 2000 – 2001.

03092000-08 **ACTION ITEM: Discussion of any remaining issues concerning rates and benefits for fiscal year 2000-2001, and a decision resolving each issue for purposes of such fiscal year.**

Explanatory documents provided to Board for this item: None.

UBH coverage and rates were discussed among the Board, staff, Towers Perrin and UBH. Commissioner Welch discussed issues carried forth from the March 6, 2000 special meeting.

Staff Recommendation: Resolve any and all remaining issues for fiscal year 2000-2001.

Public Comments:
1. Diane Hermann, Retiree, talked about a critical incident policy and whether it tied into the UBH benefits.
2. Pam Morton, PacifiCare, talked about overlapping chemical dependency benefits.

Action: Moved and seconded to adopt rate table and make no changes in the vision care and chemical dependency plans. Motion passed 5-0.

03092000-09 **ACTION ITEM: Presentation and adoption of resolution commending Health Service System employee Venancio Arcega upon his retirement.**

Explanatory documents provided to Board for this item: Draft resolution.

Staff Recommendation: Adopt the resolution

Public Comments: None.

Action: Moved and seconded to adopt resolution commending Health Service employee Venancio Arcega upon his retirement. Motion passed 5-0. Exhibit '9'.

03092000-10 **ACTION ITEM: Presentation and adoption of modification to Health Service System Rules and Regulations, to provide eligibility for all dependent children until age 25, regardless of student status.**

Explanatory documents provided to Board for this item: Draft modification to Rules and Regulations.

Staff Recommendation: Adopt the modification.

Public Comments: None

Action: Moved and seconded to approve the modification. Motion passed 5-0. Exhibit '10'.

03092000-11 **DISCUSSION ITEM: Opportunity to place items on future agendas.**

- Commissioner Zvanski expressed her interest in obtaining from Towers Perrin comparative analysis of the current health plan benefits and those offered by PERS.
- Commissioner Welch requested for the date of Strategic Planning meeting.

03092000-12 **DISCUSSION ITEM: Opportunity for the public to comment on any matters within the Board's jurisdiction.**

Public Comments: None.

ADJOURNMENT: 4:12 PM.

SPECIAL MEETING OF
THE HEALTH SERVICE BOARD

Thursday, April 13, 2000
12:00 Noon

City Hall, Room 416
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

AGENDA

CALL TO ORDER

ROLL CALL

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President Heldfond
Vice President Zvanski
Commissioner Deignan
Commissioner Fraser
Commissioner Yee
Commissioner Paretchan
Commissioner Welch

1. **DISCUSSION ITEM: Public Comment on all matters pertaining to closed sessions.**

2. **ACTION ITEM: Vote on whether to hold Closed Sessions to hear appeals and to confer with legal counsel. (San Francisco Administrative Code section 67.10(d).)**

3. **Closed sessions pursuant to Article I, Section 1 of the California Constitution and pursuant to Government Code sections 54956.9(c) and 54956.9(b)(3) and San Francisco Administrative Code section 67.10(d).**

a. **CONSIDERATION OF THE FOLLOWING APPEAL PURSUANT TO SECTION 12.200 (5) OF THE CHARTER OF THE CITY AND COUNTY OF SAN FRANCISCO.**

i. **ACTION ITEM: Appeal regarding emergency admission to Peninsula Hospital, an out of network Hospital, on 11/5/99 to 11/6/99.**
(HSS #73730)

Explanatory documents provided to Board for this item: Staff report and any correspondence between appellant and Health Service System staff relating to appeal.

Staff Recommendation: Deny the appeal.

Appellant's Comments:

Action:

b. **CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION**
(Discussion Item)

Number of potential cases: 1

X As plaintiffs

Closed session to explore legal options in response to Beech Street Corporation's failure to conclude contract negotiations.

c. **CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION**
(Action Item)

Number of potential cases: unknown

X As defendant

4. **ACTION ITEM: Reconvene in Open Session. Possible report on action taken in closed session. (Government Code section 54957.1(a)(2) and San Francisco Administrative Code section 67.12(b)(2).**

5. **ACTION ITEM: Vote to elect whether to disclose any or all discussions held in closed session. (San Francisco Administrative Code section 67.12(a).)**

6. **DISCUSSION ITEM: Opportunity to Place Items on future agendas.**

7. **DISCUSSION ITEM: Opportunity for public comment on any matter within the subject matter jurisdiction of the Health Service Board's jurisdiction.**

ADJOURNMENT

DISABILITY ACCESS

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SPECIAL MEETING OF
THE HEALTH SERVICE BOARD

Thursday, April 13, 2000
12:00 Noon

City Hall, Room 416
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

MINUTES

PLEDGE OF ALLEGIANCE

CALL TO ORDER **12:06 PM**

ROLL CALL

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President Heldfond	Absent
Vice President Zvanski	Present
Commissioner Deignan	Present
Commissioner Fraser	Present
Commissioner Yee	Absent
Commissioner Paretchan	Present
Commissioner Welch	Absent

041300-01SP DISCUSSION ITEM: Public Comment on all matters pertaining to closed sessions. None

041300-02SP ACTION ITEM: Vote on whether to hold Closed Sessions to hear appeals and to confer with legal counsel. (San Francisco Administrative Code section 67.10(d).)
Approved (4-0)

041300-03SP Closed sessions pursuant to Article I, Section 1 of the California Constitution and pursuant to Government Code sections 54956.9(c) and 54956.9(b)(3) and San Francisco Administrative Code section 67.10(d).

a. **CONSIDERATION OF THE FOLLOWING APPEAL PURSUANT TO SECTION 12.200 (5) OF THE CHARTER OF THE CITY AND COUNTY OF SAN FRANCISCO.**

i. **ACTION ITEM: Appeal regarding emergency admission to Peninsula Hospital, an out of network Hospital, on 11/5/99 to 11/6/99.**
(HSS #73730)

Explanatory documents provided to Board for this item: Staff report and any correspondence between appellant and Health Service System staff relating to appeal.

Staff Recommendation: Deny the appeal.

b. **CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION**

Number of potential cases: 1

X As plaintiffs

Closed session to explore legal options in response to Beech Street Corporation's failure to conclude contract negotiations.

c. **CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION**

Number of potential cases: unknown

X As defendant

041300-04SP ACTION ITEM: Reconvene in Open Session. Possible report on action taken in closed session. (Government Code section 54957.1(a)(2) and San Francisco Administrative Code section 67.12(b)(2).

ACTION: No report given. (4-0)

041300-05SP ACTION ITEM: Vote to elect whether to disclose any or all discussions held in closed session. (San Francisco Administrative Code section 67.12(a).)

ACTION: Voted not to disclose (4-0)

041300-06SP DISCUSSION ITEM: Opportunity to Place Items on future agendas.

041300-07SP DISCUSSION ITEM: Opportunity for public comment on any matter within the subject matter jurisdiction of the Health Service Board's jurisdiction.

ACTION: None

ADJOURNMENT 12:50 P.M.

HEALTH SERVICE BOARD

NOTICE AND AGENDA

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Strategic Planning Session: Focus on the Future

Regular Meeting
Thursday, April 13, 2000
1:00 PM

City Hall, Room 416
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

PART I — INTRODUCTORY BUSINESS

❒ **Pledge of Allegiance**

❒ **Call to Order**

❒ **Roll Call**

President Heldfond
Vice President Zvanski
Commissioner Deignan
Commissioner Fraser
Commissioner Paretchan
Commissioner Welch
Commissioner Yee

❒ **04132000-01** **Action Item**

Approval (with possible modifications) of the minutes of the following meetings:

- **March 6, 2000**
- **March 9, 2000**

Documents provided to Board prior to meeting: Draft versions of minutes for each meeting.

Staff Recommendation: Approve draft minutes.

Public Comments:

Action:

PART II — CURRENT STATUS

Brief overview by Acting Deputy Director of the meeting and the next group of items

❑ **04132000-02** **Discussion Item**

Report of Health Service System Staff, Legal Counsel and City Departments regarding the following matters:

- **Introduction of new Commission Secretary, Arnetta Brown. (Bart Duncan)**
- **Status of request for approval of rates and benefits by Board of Supervisors. (Bart Duncan)**
- **Kaiser advisory council (Bart Duncan)**
- **Status of contracts. (Rebecca Saroyan)**
- **Status of plan to collect overpayments. (Rebecca Saroyan)**
- **Future space needs (Charlie Dunn, Dept. of Real Estate)**
- **Current status of processing of medical claims for City Health Plan (Edna Erfe)**
- **Update on Open Enrollment. (Diana Ferrari)**
- **Current Financial Report (Patricia Wu)**

Documents provided to Board prior to meeting:

- *Description of Kaiser Advisory Council*

- *Contract Status Report*
- *Claims Processing Status Report*
- *Current Financial Report*

❑ **04132000-03**	**Action Item**	**Presentation and acceptance (with possible modifications) of regular financial report of Towers Perrin** *Documents provided to Board prior to meeting: Draft report* Staff Recommendation: Accept Report. Public Comments: Action:

PART III — THE FUTURE: FINANCES

Brief overview by Acting Deputy Director of the next group of items

❑ **04132000-04**	**Action Item**	**Report from Finance and Budget Committee regarding its activities:** • **Report on Status of General Fund Budget** • **Presentation and adoption of resolution regarding an expenditure from the Trust Fund for the City Health Plan Summary Plan Document.** *Documents provided to Board prior to meeting: Draft resolution.* Staff Recommendation: Adopt resolution Public Comments: Action:
❑ **04132000-05**	**Action Item**	**Extension of contract with Towers Perrin for fiscal year 2000-2001** *Documents provided to Board prior to meeting: None.* Staff Recommendation: Authorize staff to negotiate contract for fiscal year 2000-2001, subject to final approval of the contract by the Board. Public Comments: Action:
❑ **04132000-06**	**Discussion Item**	**Question and answer period with Towers Perrin and HSS Staff regarding the health of the Trust Fund during fiscal year 2000-2001 and beyond** *Documents provided to Board prior to meeting: None.*

Part IV — The Future: Benefit Plans

Brief overview by Acting Deputy Director of the next group of items

❑ 04132000-07	Action Item	**Study of CalPERS and of alternatives to the City Health Plan** *Documents provided to Board prior to meeting: Letter outlining the scope of work.* Staff Recommendation: Discuss the scope of work; authorize staff to contract with Towers Perrin to conduct the study. Public Comments: Action:
❑ 04132000-08	Discussion Item	**Presentation by staff of recommendations and timeline regarding obtaining health and dental benefits for fiscal year 2001-2002:** • **HMO Plans** • **City Health Plan** - **PPO Network/Utilization Management** - **Pharmacy Benefit** ▫ **Status of pharmacy audit** • **Vision Care Plan** • **Chemical Dependency Plan** • **Dental Plans** *Documents provided to Board prior to meeting: None.* Discussion.
❑ 04132000-09	Discussion Item	**Presentation by staff of recommendations and timeline regarding obtaining other benefits for fiscal year 2001-2002:** • **Life Insurance** • **Disability Plans** • **Flexible Benefits Plan** *Documents provided to Board prior to meeting: None.* Discussion

Part V — The Future: Customer Service, Systems and any Other Areas of Concern

Brief overview by Acting Deputy Director of next item

❑ 04132000-10	Discussion Item	**Discussion regarding customer, systems and any other areas of concern, including the following brief staff presentations:** • **Telephone Improvement Project (Yvonne Hudson)**

- **Recent Claims system demonstrations (Edna Erfe)**
- **Complaint Tracking System**

Documents provided to Board prior to meeting: None.

Discussion

PART VI — CLOSING BUSINESS

❑ **04132000-11**	**Opportunity to place items on future agendas**
❑ **04132000-12**	**Opportunity for the public to comment on any matters within the Board's jurisdiction.**

Public Comments:

SUMMARY OF HEALTH SERVICE SYSTEM RULES REGARDING PUBLIC COMMENT

- Speakers are urged to fill out a speaker card in advance, but may remain anonymous if so desired.
- A member of the public has up to three minutes to make pertinent public comments before action is taken on any agenda item.
- A member may comment on any matter within the Board's jurisdiction at the designated time at the end of the meeting.

The complete rules are set forth in Section A(6) of the Health Service System Rules and Regulations. A copy of these Rules and Regulations is available at any time upon request. Call Arnetta Brown at 554-2479.

DISABILITY ACCESS

The meeting will be held at City Hall, #1 Dr. Carlton B. Goodlett Place, Room 416. The closest accessible BART Station is Civic Center, three blocks from City Hall. Accessible MUNI lines serving this location are: #42 Downtown Loop, and the #71 Haight/Noriega and the F Line to Market and Van Ness and the Metro stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services, call (415) 923-6142. There is accessible parking in the vicinity of City Hall at Civic Center Plaza adjacent to Davies Hall and the War Memorial Complex.

Accessible seating for persons with disabilities (including those using wheelchairs) will be available.

The following services are available upon request:

- American Sign Language interpreters will be available upon request.
- A sound enhancement system will be available upon request at the meeting.
- Minutes of the meeting or hearing are available in alternative formats.

If you require the use of any of these services, please contact Mila A. Palarca at (415) 554-1737 at least 72 hours prior to the meeting.

In order to assist the City's effort to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City accommodate these individuals.

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Citizens interested in obtaining a copy of the Sunshine Ordinance can request a copy from Ms. Arnstine-O'Hara or by printing Chapter 67 of the San Francisco Administrative Code on the Internet, at http://ww.amlegal.com/sanfran/viewcode.htm

San Francisco, CA 94102

CITY & COUNTY OF SAN FRANCISCO

REGULAR MEETING MINUTES
of
THE HEALTH SERVICE BOARD

Thursday, April 13, 2000
1:00 PM

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PLEDGE OF ALLEGIANCE

CALL TO ORDER
1:09 PM

ROLL CALL

President Heldfond - Present
Vice President Zvanski - Present
Commissioner Deignan - Present
Commissioner Fraser – Present
Commissioner Paretchan - Present
Commissioner Welch – Present
Commissioner Yee – Absent

041300-01 ACTION ITEM **Approval (with possible modification) of the minutes of the following meetings:**

- **March 6, 2000**
- **March 9, 2000**

Documents provided to Board prior to meeting: Draft versions of minutes for each meeting.

Staff Recommendation: Approve Draft minutes.

Public Comments: None

Action: Moved and seconded by the Board to accept draft of the March 6, 2000 and March 9, 2000 minutes. Motion passed 6-0.

041300-02 DISCUSSION ITEM **Report of Health Service System Staff, Legal Counsel & City Departments regarding the following matters:**

- **New Commission Secretary: Bart** Duncan introduced the new Commission Secretary, Arnetta Brown, to the Board.
- **Status Report:** Bart Duncan reported that the request for approval of rates and benefits by Board of Supervisors will be delivered to the Clerk within the week.

- **Kaiser Advisory Council:** Bart Duncan reported that he had been invited to participate in the Kaiser Advisory Council, that legal counsel had advised that no conflict of interest appeared to exist and that he had, therefore, accepted the invitation. A description of the council is attached as Schedule 1.
- **Status Report:** Deputy City Attorney Rebecca Saroyan reported that nearly all of the contracts for FY 99-00 were complete and that the remainder would be completed shortly. A copy of the chart Ms. Saroyan presented to the Board is attached as Schedule 2.
- **Future Space Needs**: Charlie Dunn of the Department of Real Estate reported on the availability of additional space for HSS on the second floor of 1145 Market Street after the Workers Compensation unit moves to 30 Van Ness Avenue. Mr. Dunn reported that the Workers Compensation unit would be able to move in July 2000. Mr. Dunn was asked to report back at the next meeting.
- **Medical Claims Status**: Edna Erfe presented a report on Claims status, a copy of which is attached as Schedule 3.
- **Open Enrollment**: Diana Ferrari reported on the status of open enrollment. She noted that it was possible that 2000 retirees would not receive their open enrollment packets on time because of delays caused by PacifiCare.
- **Financial Report:** Patricia Wu presented the report attached as Schedule 4.

041300-03 ACTION ITEM **Presentation and acceptance (with possible modifications) of regular financial report of Towers Perrin**

- **Towers Perrin Financial Report**: Mike Kramer distributed & presented the Consultant's Report attached as Schedule 5.

Staff Recommendation: Accept Report

Public Comments: None

Action: Motion moved and seconded to accept report. Motion passed by 6-0.

041300-04 ACTION ITEM **Report from Finance and Budget Committee regarding its activities.**

- **Finance and Budget Committee:** Commissioner Zvanski, Chair, delivered a report on the status of the Trust Fund and general fund budgets. She then presented the resolution, attached as Schedule 6.

Staff Recommendation: Adopt resolution.

Public Comments: Diane Hermann

Action: President Heldfond moved to accept the resolution. This motion was seconded and passed by the Board 6-0.

041300-05 ACTION ITEM
Extension of contract with Towers Perrin for fiscal year 2000-2001

Staff Recommendation: Authorize staff to negotiate contract for fiscal year 2000-2001, subject to final approval of the contract by the Board.

Public Comment: None.

Action: The Board moved and seconded a motion to negotiate contract for fiscal year 2000-01, subject to final approval of the contract by the Board. The motion passed 6-0.

041300-06 DISCUSSION ITEM
Question and answer period with Towers Perrin and HSS staff regarding the health of the Trust Fund during fiscal year 2000-2001.

- Commissioner Fraser raised questions regarding realignment of rates for Plan 1 for Plan year 2000-2001.
- Commission Paretchan requested to have an accounting of all monies expended to date for services provided by Towers Perrin.

041300-07 ACTION ITEM
Study of CalPERS & Alternatives to the City Health Plan

Staff Recommendations: Discuss the scope of work set forth in the proposal letter attached as Schedule 7, authorize staff to contract with Towers Perrin to conduct the study.

- Bart Duncan distributed and presented to the Board the Health Service Board Timeline, attached as Schedule 8. He then reiterated the staff recommendation.

Public Comments: Diane Hermann asked whether money is being used out of the Trust Fund. Mr. Duncan indicated that money to finance this study is being taken out of the Operating Budget.

Action: It was moved and seconded by the Board to accept the scope of work and to authorize HSS to contract with Towers Perrin to conduct the study. The motion passed 6-0.

041300-08 DISCUSSION ITEM
Presentation by staff of recommendations & timeline regarding obtaining health and dental benefits for fiscal year 2001-2002.

- Mr. Duncan recommended that an RFP process take place for the HMO benefits. Roland Mittica and Mike Kramer of Towers Perrin supported the RFP recommendation. There will be a performance evaluation of Beech Street and Express Scripts at the May meeting. Performance evaluations are to be turned in to the Commission Secretary, Arnetta Brown, by Friday, April 21, 2000. Customer

Service Task Force will consider customer surveys. Mr. Duncan suggested the Board wait until after the performance reviews before deciding whether to conduct an RFP process for the pharmacy benefit, the PPO Network or Utilization/Case Management.

- Mr. Duncan recommended that no RFP process take place this year for new dental benefits.
- Commissioner Paretchan commented that the Delta Plan appears to charge the retirees too much.
- Commissioner Paretchan requested that Beech Street inform HSS of how many requests were received by physicians to enter the Beech Street Network, how many requests were filled, and how long it took for each request to be finalized.
- Mr. Duncan recommended that no RFP process take place this year for new vision benefits.
- Mr. Duncan recommended that the Board wait until a coordination meeting takes place before deciding on whether to conduct an RFP process for new Chemical Dependency Plan.

041300-09 **DISCUSSION ITEM**

Presentation by staff of recommendations and timeline regarding obtaining other benefits for fiscal year 2000-2001

- Benefits discussed were: life insurance, disability plans, and the flexible benefits plans. Mr. Duncan indicated that these were totally negotiated benefits whose terms are not set by the Board. He recommended therefore, that the Board explore options to limit its participation in handling these benefits.
- The Board made no commitment and President Heldfond indicated he wished to defer further discussion to a future date.

041300-10 **DISCUSSION ITEM**

Discussion regarding customer service, systems and any other areas of concern, including the following brief staff presentations.

- Telephone Improvement Project was presented by Yvonne Hudson. The ACD System Wallboard has been installed for the Claims & Membership units. It is located on the wall in full view of all of the staff to see from their desks. The purpose of the board is to assist in determining service needs, monitoring performance efficiency of the staff, and track telephone activity (incoming-outgoing, call waiting, abandon calls etc.).
- A complaint tracking system is being implemented. All problems and complaints will be put on a form and given to Arnetta Brown to be logged properly for tracking purposes.
- Edna Erfe discussed the recent claims systems demonstrations.

041300-11 **Opportunity to place items on future agendas.**

- Commissioner Fraser requested development of policy under Plan 1 for course of emergency procedures involving non-PPO providers.

041300-12 Opportunity for the public to comment on any matters within the Board's jurisdiction.

Public Comment:

- Joanne Haggety commented on the Health Net Customer Survey.
- Diane Hermann discussed the possible late mailing of the open enrollment packets to some of the retirees and urged the Board to reach a solution to avoid the delay.
- The Board told Pacificare representative, Diana Taylor, that Pacificare should take all the necessary actions, at its own cost, to get the retiree packets out immediately.

Meeting Adjourned: 3:50 PM

SUMMARY OF HEALTH SERVICE SYSTEM RULES REGARDING PUBLIC COMMENT

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The complete rules are set forth in Section A (6) of the Health Service System Rules and Regulations. A copy of these Rules and Regulations is available at any time upon request. Call Arnetta Brown at 554-2479.

HEALTH SERVICE BOARD

NOTICE AND AGENDA

Regular Meeting
Thursday, May 11, 2000
1:00 PM

City Hall, Room 416
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

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☐	**Pledge of Allegiance**		
☐	**Call to Order**		
☐	**Roll Call**	President Heldfond Vice President Zvanski Commissioner Deignan Commissioner Fraser Commissioner Paretchan Commissioner Welch Commissioner Yee	
☐	**04132000-01**	**Action Item**	**Approval (with possible modifications) of the minutes of the following meetings:** • **Special Meeting of April 13, 2000** • **Regular Meeting of April 13, 2000** *Documents provided to Board prior to meeting: Draft versions of minutes* Staff Recommendation: Approve draft minutes Public Comments: Action:
☐	**04132000-02**	**Discussion Item**	**Report of Health Service System Staff, Legal Counsel and City Departments regarding the following matters:** • **Status of request for approval of rates and benefits by Board of Supervisors (Bart Duncan)** • **Health Net advisory council (Bart Duncan)**

		• **Credit card project (Bart Duncan)** • **Interdepartmental meeting with United Behavioral Health, provider of chemical dependency benefit (Bart Duncan)** • **Status of contracts (Rebecca Saroyan)** • **Status of plan to collect overpayments (Rebecca Saroyan)** • **Advice regarding need for Charter amendment in order to access CalPERS health plans (Rebecca Saroyan)** • **Future space needs (Charlie Dunn, Dept. of Real Estate)** • **Development of training video (Yvonne Hudson)** • **Current status of processing of medical claims for City Health Plan (Edna Erfe)** • **Update on Open Enrollment (Diana Ferrari)** *Documents provided to Board prior to meeting:* ● *Description of Health Net Advisory Council* ● *Contract Status Report* ● *Claims Processing Status Report*
❑ **04132000-03**	**Action Item**	**Presentation and acceptance (with possible modifications) of regular financial report of Towers Perrin** *Documents provided to Board prior to meeting: Draft report* Staff Recommendation: Accept Report Public Comments: Action:
❑ **04132000-04**	**Discussion Item**	**Performance Review — Express Scripts (Pharmacy Benefit Vendor)** Documents provided to Board prior to meeting: None
❑ **04132000-05**	**Action Item**	**Determine whether to conduct RFP process for a new pharmacy vendor for Fiscal Year 2001-2002** *Documents provided to Board prior to meeting: None* Staff Recommendation: Do not conduct such a process for the 2001-2002 Fiscal Year Public Comments: Action:
❑ **04132000-06**	**Discussion Item**	**Performance Review — Beech Street (PPO network and utilization/case management vendor)** Documents provided to Board prior to meeting: None

❑ **04132000-07**	**Action Item**	**Determine whether to conduct RFP process for a new PPO network vendor for Fiscal Year 2001-2002** *Documents provided to Board prior to meeting: None* Staff Recommendation: Do not conduct such a process for the 2001-2002 Fiscal Year Public Comments: Action:
❑ **04132000-08**	**Action Item**	**Determine whether to conduct RFP process for a new utilization/case management vendor for Fiscal Year 2001-2002** *Documents provided to Board prior to meeting: None* Staff Recommendation: Do not conduct such a process for the 2001-2002 Fiscal Year Public Comments: Action:
❑ **04132000-09**		**Opportunity to place items on future agendas**
❑ **04132000-10**		**Opportunity for the public to comment on any matters within the Board's jurisdiction** Public Comments:

SUMMARY OF HEALTH SERVICE SYSTEM RULES REGARDING PUBLIC COMMENT

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CITY AND COUNTY OF SAN FRANCISCO

REGULAR MEETING MINUTES
of
THE HEALTH SERVICE BOARD

Thursday, May 11, 2000
1:00 PM

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PLEDGE OF ALLEGIANCE

CALL TO ORDER
1:09 PM

ROLL CALL

President Heldfond – Present
Vice President Zvanski – Present
Commissioner Deignan – Present
Commissioner Fraser – Present
Commissioner Paretchan – Present
Commissioner Welch – Excused
Commissioner Yee – Excused

051100-01 ACTION ITEM **Approval (with possible modification) of the minutes of the following meetings:**

- **Special Meeting of April 13, 2000**
- **Regular Meeting of April 13, 2000**

Documents provided to Board prior to meeting: Draft version of minutes.

Staff Recommendation: Approve draft minutes.

Public Comments: None.

Action: Moved and seconded by the Board to accept the draft of the minutes of Special and Regular meetings held on April 13, 2000. Motion passed 5-0.

051100-02 DISCUSSION ITEM

Report of Health Service system staff, Legal Counsel and City departments regarding the following matters:

Status of request for approval of rates and benefits by Board of Supervisors: Bart Duncan reported that the Health Service System's request for approval of rates and benefits was unanimously approved last week by the Board of Supervisors' Finance and Labor Committee.

Health Net Advisory Council: Bart Duncan reported that he accepted the invitation extended by Joanne Haggerty to participate on the Health Advisory Council. A description of this council is attached as Schedule 1. Mr. Duncan was assured by legal counsel, Rebecca Saroyan, that there does not appear to be any conflict of interest.

Credit card project: Bart Duncan announced that the Health Service System Office at 1145 Market Street, 2nd floor, will begin accepting credit card payments from members by the end of June 2000. He thanked Mr. John Madden for his assistance in making this great convenience available for members a reality.

Inter-departmental meeting with United Behavioral Health, provider of chemical dependency benefit: An interdepartmental meeting regarding comprehensive benefits for the next fiscal year was attended by Bart Duncan, Rebecca Saroyan, Ms. Sharon Fusco of United Behavioral Health, representatives of the police and fire departments, and other city departments.

Status of contracts: Deputy City Attorney, Rebecca Saroyan, reported that Fiscal Year 99-00 contracts are complete. A copy of the chart that Ms. Saroyan presented to the Board is attached as Schedule 2.

Status of plan to collect overpayments: Deputy City Attorney, Rebecca Saroyan, reported that letters to vendors owing over $1000 to the City were mailed out by Laney Whitcanack, Project Manager. Offset letters reflecting amounts owed the City will be mailed from the Controller's Office next week.

Advice regarding need for Charter Amendment in order to access CalPERS health plans: Rebecca Saroyan reported that a Charter Amendment would be required to join CalPERS because CalPERS is based on a rigid statutory framework and because of the complex framework of the Charter provisions which govern the Health Service System.

Development of training video: Yvonne Hudson announced the development of a training video for new hires on how to complete their enrollment forms while at their worksite. Ms. Hudson reported that the display of the application would be done on Power Point with voice over going over each step. The video will also include answer to 10-12 most asked questions.

Every department head and personnel officers in all City departments will have this video to use for their new hires. DTIS and their video reproduction staff will begin distribution of video immediately following open enrollment. Bart Duncan complimented Jean Fraser and Customer Service Task Force for advancing the video idea.

Future space needs: Charlie Dunn of the Department of Real Estate reported that construction has begun at 30 Van Ness and the Workers Compensation unit should be able to move in by the last week in July. Mr. Dunn reported that there would be an availability of additional space for HSS on the second floor of 1145 Market Street by August 1, 2000.

Current status of processing of medical claims for City health plan: Edna Erfe presented a report on claims status, a copy of which is attached as Schedule 3. Ms. Erfe reported that claims are up due to open enrollment, responding to increased voice messages, and workers learning how to operate their new personal computers.

Update on open enrollment: Diana Ferrari reported that the open enrollment packets were mailed out on time, before enrollment. Ms. Ferrari stated that confirmation letters would be mailed out on May 23rd.

Bart Duncan thanked Diana Taylor of PacifiCare for getting PacifiCare materials to the mail house so that the enrollment packets went out on time as requested by the Board. Mr. Duncan also complimented Ms. Ferrari and her staff for doing a good job in completing enrollment.

President Heldfond and the Board complimented Bart Duncan and the Health Service staff for doing a great job during this enrollment season. Special commendations went to Mr. Duncan by President Heldfond.

051100-03 ACTION ITEM

Presentation and acceptance (with possible modifications) of regular financial report of Towers Perrin.
Mike Kramer distributed and presented the Consultant's Report attached as Schedule 4. Commissioner Fraser asked about how the MOUs currently under negotiation would affect the present rates and benefits. Mr. Kramer replied that the rates are based on the current contract, but will change based on negotiations.

Pharmacy claims audit authorized by the Board will focus on the transition period of July 1, 1999 through September 30, 1999.

The report reflecting the complete expenses of membership for the Trust Fund will be ready next month. Mr. Kramer reported that the City Attorney and Controller's Office requested financial analysis of the proposed Charter Amendment, which would change the City's contribution to the retiree's Health Plan. The City has a meeting with the retirees next week.

Towers Perrin was asked to look at an alternate plan to CalPERS and turn in a report showing the difference between CalPERS (based on a 60 page summary from CalPERS) and the City Health Plan. Commissioner Paretchan wanted to know who was paying the team to do the financial analysis of the proposed Charter Amendment. Mike Kramer informed the Board that the City Attorney and Controller's offices are paying cost of the financial analysis. Mr. Duncan informed the Board that an additional analysis of CalPERS has been done detailing the comparison of different PPOs, plans, and benefits, and Rebecca Saroyan has a copy of it. Ms. Saroyan stated that she would fax it to the Board by Friday morning. This report is attached as Schedule 5.

Staff Recommendations: Accept Report.

Public Comments: None.

Action: Motion moved and seconded to approve Towers Perrin's financial report. Motion passed 5-0.

051100-04 DISCUSSION ITEM

Performance review-Express Scripts (Pharmacy Benefit Vendor).

Mr. Bart Duncan reported that Commissioner Jean Fraser had agreed to conduct the performance evaluations of Express Scripts and Beech Street. Commissioner Fraser distributed and presented a report on the "Evaluation of Express Scripts." This report is attached as Schedule 6.

Commissioner Fraser reminded the Board that the Health Service Board (HSB) made changes to the City Health Plan pharmacy benefits at the time this new vendor was selected. There was no published plan benefit booklet at the time of selection and this caused confusion during the transition to the new vendor.

Recommendations from Ms. Fraser included getting more reliable data regarding customer service problems, increasing the performance guarantees, and changing the mail order form to allow members to request brand name drugs through mail order. Commissioner Fraser reported that she received only 20 complaints in writing. Commissioner Zvanski commented that there are more than 20 people who are dissatisfied with the services of ES, particularly the prescription mail order turnaround time, which is consistently 3 to 4 weeks rather than the reported 2-3 days.

Mr. Craig Oberg, General Manager of Express Scripts, suggested to the Board that complaints should be written and forwarded to Bart Duncan of the Health Service System. He reported that most of the complaints he was aware of were regarding receiving generic prescriptions over brand names.

Mr. Duncan acknowledged the past failure of the Health Service System to communicate and coordinate with Express Scripts. He noted that by not having a benefit booklet until 3 weeks ago, HSS failed to advise people of the way the generic substitution policy works.

Mr. Duncan reported that he, along with Yvonne Hudson, Edna Erfe, Jean Fraser, and Rebecca Saroyan met with the Express Script group and discussed the contract terms, performance guarantees, etc.

Commissioner Paretchan and the Board agreed that the problems are no fault of Bart Duncan or his staff, but of the former administration.

Craig Oberg stated that ES ranks 3rd nationally and is the largest PBM independent of the pharmaceutical manufacturer or retail pharmacy chain. He stated that the refill limits used by HSS are industry standard.

President Heldfond recommended that Bart Duncan conduct a case study of complaints and problems with Express Scripts, using Commissioner Zvanski's experiences as a starting point. Mr. Duncan informed the Board that a log has been developed that currently keeps track of all complaints and responses to each problem.

Action: The Board decided to continue this item to the next regular meeting.

Public Comment: None.

051100-05 DISCUSSION ITEM

Determine whether to conduct RFP process for a new pharmacy vendor for Fiscal Year 2001-2002.

Staff Recommendation: Do not conduct such a process for the 2001-2002 Fiscal Year.

Commissioner Fraser recommended that a condition for renewing a contract would be to increase penalties for not meeting performance guarantees.

Bart Duncan informed the Board that a RFP should be sent out by next month (June). He recommended to the Board that they should look at the entire design structure rather than just the generic substitution policy.

Public Comment: Ms. Jean Thomas, President of the Retired Employees Association, commented that she receives without solicitation, complaints regarding Express Scripts' pharmacy plan and their mail order procedures. Ms. Thomas further stated that she receives at least one complaint a day which over a period of time exceeds the reported 20 complaints.

Action: It was moved and seconded to continue the decision to conduct a RFP process for a new pharmacy vendor for the next fiscal year until next month. The motion carried 5-0.

051100-06 DISCUSSION ITEM

Performance review-Beech Street (PPO network and utilization/case management vendor.

Commissioner Fraser presented the review and generally expressed satisfaction with Beech Street's services. Mr. Duncan said that the Plan 1 booklets are available and that they serve as detailed guides and give new procedures and 800 numbers. These guides are presently being distributed to people who are searching various plans but will soon be mailed to all Plan 1 members. These guides and the web sites are the key- ways of getting important information distributed to the people.

He reported that it has been a mystery who is in the Beech street network, which means that members would have the same problem. He is presently working with Beech Street to determine who is in and out of the network. The main goal is to have information on the web and in the HSS directory that is harmonious with information Beech Street is giving out.

051100-07 ACTION ITEM

Determine whether to conduct RFP process for a new PPO network vendor for Fiscal Year 2001-2002. Mr. Duncan reported that, thanks to Rebecca Saroyan, a contract has been written with Beech Street and negotiations are still underway with Mill Valley Hospital.

Staff Recommendations: Do not conduct such a process for the 2001-2002 Fiscal Year.

Public Comments: Ms. Marian O'Donnell inquired about doctors not being paid properly and subsequently dropping out of the PPO system and doctors working in emergency units are not PPO members.

Action: It was moved and seconded not to conduct a RFP process for a new PPO vendor for Fiscal Year 2001-2002. The motion passed 5-0.

051100-08 ACTION ITEM

Determine whether to conduct RFP process for a new utilization/case management vendor for Fiscal Year 2001-2002.

Staff Recommendation: Do not conduct such a process for the 2001-2002 Fiscal Year.

Public Comments: None.

Action: It was moved and seconded not to conduct a RFP process for a new utilization/case management vendor for the Fiscal Year 2001-2002. The motion passed 5-0.

Bart Duncan reminded the Board that there will be a Rates and Benefits meeting on May 31, 2000, in Hearing Room 400, at 10:30 AM.

051100-09 **Opportunity to place items on future agendas.**

None.

051100-10 **Opportunity for the public to comment on any matters within the Board's jurisdiction.**

President Heldfond complimented Bart Duncan for the great job he is doing and the good report he received from the Finance and Labor Committee.

Public Comments: Mr. Bernard Crotty requested that a glossary be attached to the Agenda that will explain abbreviations. Mr. Crotty also inquired about the involvement of the City Attorney in determining the cost of the Charter Amendment.

Meeting Adjourned: 3:50 PM.

SUMMARY OF HEALTH SERVICE SYSTEM RULES REGARDING PUBLIC COMMENT

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HEALTH SERVICE BOARD

NOTICE AND AGENDA

Regular Meeting
Thursday, June 8, 2000
1:00 PM

City Hall, Room 416
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

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☐	**Pledge of Allegiance**		
☐	**Call to Order**		
☐	**Roll Call**	President Heldfond Vice President Zvanski Commissioner Deignan Commissioner Fraser Commissioner Paretchan Commissioner Welch Commissioner Yee	
☐	**04132000-01**	**Action Item**	**Approval (with possible modifications) of the minutes of the following meeting:** • **Regular Meeting of May 11, 2000** *Documents provided to Board prior to meeting: Draft version of minutes* Staff Recommendation: Approve draft minutes Public Comments: Action:
☐	**04132000-02**	**Discussion Item**	**Report of Health Service System Staff and Legal Counsel regarding the following matters:** • **Credit cards accepted (Bart Duncan)** • **Status of Mills Peninsula Hospital discussions (Bart Duncan)** • **Status of contracts (Rebecca Saroyan)** • **Status of plan to collect overpayments (Rebecca Saroyan)**

			• **Current status of processing of medical claims for City Health Plan (Edna Erfe)** • **Update on Open Enrollment (Diana Ferrari)** • **Report on Customer Service Enhancements (Yvonne Hudson)** • **Update on Plan 1 Newsletter (Yvonne Hudson)** • **Staff Financial Report (Angela Joyner)** *Documents provided to Board prior to meeting:* ❶ *Claims Processing Status Report* ❷ *Staff Financial Report*
❑	**04132000-03**	**Action Item**	**Presentation and acceptance (with possible modifications) of regular financial report of Towers Perrin** *Documents provided to Board prior to meeting: Draft report* Staff Recommendation: Accept Report Public Comments: Action:
❑	**04132000-04**	**Discussion Item**	**Report on recent activities of the Customer Service Task Force (Commissioner Fraser)** *Documents provided to Board prior to meeting: None* Public Comments:
❑	**04132000-05**	**Discussion Item**	**Report on recent activities of the Finance and Labor Committee (Commissioner Zvanski)** *Documents provided to Board prior to meeting: None* Public Comments:
❑	**04132000-06**	**Discussion Item**	**Report on recent activities of the Rates and Benefits Committee, including discussion of possible use of a four-tier rate structure for Fiscal Year 2001-2002 plans (Commissioner Welch and Towers Perrin)** *Documents provided to Board prior to meeting: None* Public Comments:
❑	**04132000-07**	**Action Item**	**Decision whether to use a four-tier rate structure for Fiscal Year 2001-2002 plans** *Documents provided to Board prior to meeting: None* Staff Recommendation: Continue studying four-tier rate structure, but do not implement for Fiscal Year 2001-2002. Public Comments: Action:

❑	**04132000-08**	**Discussion Item**	**Performance Review — Express Scripts (Pharmacy Benefit Vendor)** *Documents provided to Board prior to meeting: None*
❑	**04132000-09**	**Action Item**	**Determine whether to conduct RFP process for a new pharmacy vendor for Fiscal Year 2001-2002** *Documents provided to Board prior to meeting: None* Staff Recommendation: Do not conduct such a process for Fiscal Year 2001-2002. Public Comments: Action:
❑	**05312000-10**	**Discussion Item**	**Report by Towers Perrin on Plan 1 Alternatives** *Documents provided to Board prior to meeting: None* Public Comments:
❑	**04132000-11**	**Action item**	**Decision re whether to conduct a competitive solicitation process to pursue any Plan 1 alternatives for Fiscal Year 2001-2002.** *Documents provided to Board prior to meeting: None* Staff Recommendation: Conduct a Request for Information (RFI) in early 2001 to look for possible options for Fiscal Year 2002-2003 Public Comments: Action:
❑	**04132000-12**	**Discussion Item**	**Opportunity to place items on future agendas**
❑	**04132000-13**	**Discussion Item**	**Opportunity for the public to comment on any matters within the Board's jurisdiction** Public Comments:

SUMMARY OF HEALTH SERVICE SYSTEM RULES REGARDING PUBLIC COMMENT

- Speakers are urged to fill out a speaker card in advance, but may remain anonymous if so desired.
- A member of the public has up to three minutes to make pertinent public comments before action is taken on any agenda item.
- A member may comment on any matter within the Board's jurisdiction at the designated time at the end of the meeting.

The complete rules are set forth in Section A(6) of the Health Service System Rules and Regulations. A copy of these Rules and Regulations is available at any time upon request. Call Arnetta Brown at 554-1727.

DISABILITY ACCESS

The meeting will be held at City Hall, #1 Dr. Carlton B. Goodlett Place, Room 416. The closest accessible BART Station is Civic Center, three blocks from City Hall. Accessible MUNI lines serving this location are: #42 Downtown Loop, and the #71 Haight/Noriega and the F Line to Market and Van Ness and the Metro stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services, call (415) 923-6142. There is accessible parking in the vicinity of City Hall at Civic Center Plaza adjacent to Davies Hall and the War Memorial Complex.

Accessible seating for persons with disabilities (including those using wheelchairs) will be available.

The following services are available upon request:

- American Sign Language interpreters will be available upon request.
- A sound enhancement system will be available upon request at the meeting.
- Minutes of the meeting or hearing are available in alternative formats.

If you require the use of any of these services, please contact Arnetta Brown at (415) 554-1727 at least 72 ours prior to the meeting.

In order to assist the City's effort to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City accommodate these individuals.

KNOW YOUR RIGHTS UNDER THE SUNSHINE ORDINANCE

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, Boards, Councils and other agencies of the City and County exist to conduct the people's business. The Sunshine Ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact Rachel Arsntine-O'Hara by mail to Administrative Services, #1 Dr. Carlton B. Goodlett Place, Room 362, by phone at (415) 554-6171, by fax at (415) 554-6177 or by email at Rachel_ArnstineO'Hara@ci.sf.ca.us

Citizens interested in obtaining a copy of the Sunshine Ordinance can request a copy from Ms. Arnstine-O'Hara or by printing Chapter 67 of the San Francisco Administrative Code in the Internet, at http://ww.amlegal.com/sanfran/viewcode.htm

CITY AND COUNTY OF SAN FRANCISCO

REGULAR MEETING MINUTES OF THE HEALTH SERVICE BOARD

Thursday, June 8, 2000

President Heldfond, Excused
Vice President Zvanski
Commissioner Deignan
Commissioner Fraser
Commissioner Paretchan
Commissioner Welch
Supervisor Leland Yee, Excused

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Call to Order
1:12 PM

PLEDGE TO ALLEGIANCE

ROLL CALL

060800-01 **Action Item** **Approval (with possible modifications) of the minutes of the following Health Service Board Regular meeting:**

- May 11, 2000

Staff Recommendation: Approve minutes.

Public Comments: None

Action: The matter was carried over to the July 13, 2000 regular meeting. Commissioner Fraser provided suggested corrections.

060800-02	Discussion Item	**Report of Health Service System Staff and Legal Counsel regarding the following matters:**

Credit Cards: Bart Duncan announced that the credit card payments are now being accepted at the Health Service System. Mr. Duncan stated that he is working with the membership staff on accepting credit card payments over the telephone. This convenience may help members avoid a trip to 1145 Market Street.

Status of Mills Peninsula Hospital discussions: Bart Duncan reported that although there is not yet a signed contract, an agreement in principal has been reached with Mills Peninsula. Mills will be back with the City Plan as a preferred provider, effective by June 1, 2000.

Status of Contracts: Deputy City Attorney Rebecca Saroyan presented to the Board the Year 2001 HSS Contract Status Report. This report is attached as **Schedule 1**. Ms. Saroyan stated that there is a new status report that has 19 contracts for the Fiscal Year 2000-2001. Seven of the 19 contracts are multiple year agreements that will move forward. Group agreements have been received from all of the HMOs, and the balance of the contracts represent the vendors who have been contacted and the renewal process has started and should be signed and complete by June 30, 2000.

Status of plan to collect overpayments: Ms. Saroyan stated that the Health Service System recently received a check for $40,000 from one of the vendors. Letters went out from the Controller's Office to 40 different vendors who owed more than $5,000. By next Monday, June 12, 2000, letters will go out from the Controller's office to vendors who owe between $1,000-$5,000. The process for collecting from vendors who owe more than $5,000 is that some will mail their checks in and if there are disputed amounts, the discrepancies are reviewed and followed-up by staff.

Bart Duncan complimented Deputy Attorney Saroyan for her excellent work and accomplishments with handling the contracts.

Current status of processing of medical claims for City Health Plan: Edna Erfe presented the Medical Claims Activity Report for 1999-2000 as of June 2nd.
This report is attached as **Schedule 2**. Ms. Erfe said that some of the Claims staff are still having problems with their new PCs but are working hard in spite of this. Ms. Erfe stated that the staff is discussing ways to improve the information flow with Beech Street and Express Scripts in order to expedite processing. Commissioner Zvanski inquired about the status of staffing at 66%. Ms. Erfe said that out of 10 processors, only 7 processors work full time on claims, 3 are working with partial payments, 1 works on Beech Street pricing, and 1 is out on workers compensation. Bart Duncan complimented Edna Erfe and her staff for working overtime and on Saturdays to keep the pending claims down in spite of the PC problems. Commissioner Zvanski commented that the report showed significant improvement.

Update on Open Enrollment: Diana Ferrari made a final report on the open enrollment. Ms. Ferrari presented to the Board an Open Enrollment Daily Activity Report, which showed that 8,414 applications were processed. This is attached as **Schedule 3.** Ms. Ferrari also presented the Summary of Changes as of June 8, 2000, attached as **Schedule 4.** This report showed activity of plans throughout open enrollment. A third report, Open Enrollment Statistics, was distributed to the Board and is attached as **Schedule 5**. This report shows the total number of lives that either joined or left the plans.

Commissioner Zvanski and the Board complimented Diane Ferrari and her staff for excellent work and promptness upon completion of the open enrollment. Bart Duncan added that Ms. Ferrari and her team have worked very hard, including many overtime hours to input data and get the tapes out on time.

Report on Customer Service Enhancements: Yvonne Hudson presented to the Board the Health Service System Customer Service Improvement Report, attached as **Schedule 6.**

She also distributed a report entitled BCMS via Split/Skill Weekly Report, covering phone activity from 4/17 to 5/26/00; the open enrollment period. This report is attached as **Schedule 7**.

Ms. Hudson reported that the BCMS telephone wallboard was installed in the Health Service System Office in March 2000 and is strategically located so it is visible to all of the staff. The board is a Lucent 2 Line- model that tracks the number of available agents, number of calls waiting, and longest call waiting; automatic call distribution (ACD).

The weekly report showed the number of ACD calls by week; average speed answered; abandoned calls; average abandoned time; average talk time; total after call; total aux/other; average staff; and percentage in service level. Ms. Hudson explained what each item represented. Ms. Hudson also reported that the phones are being reprogrammed to allow the callers to leave a message after one minute on hold if they choose. The 800 number now works inside and outside the 415 area code. Ms. Hudson also announced that there is now a voice mail system that retrieves calls if there are more than 5 calls holding in the cue.

Ms. Hudson reported that the Fred Pryor Seminars would present training for the HSS staff on June 13-14, 2000. The training is entitled Providing Exceptional Customer Service and Handling Difficult People. Other staff improvements Ms. Hudson mentioned are: HSS hired two 1210 Benefits Analysts in April and the remaining 4 vacancies will be filled in late July or early August (when space becomes available); exams for the 1813 Benefits Analyst & 1814 Supervising Benefits Analyst will be complete by the end of June/early July. Ms. Hudson also announced to the Board that space expansion expected by the end of July or early in August when the Workers Compensation unit moves to 30 Van Ness. The DTIS City Watch Video Production Services will produce a training video which will be distributed to all departments. This video will walk through the process of completing an enrollment application for new hires.

Ms. Hudson also distributed a copy of the Problem Resolution Form, attached as **Schedule 8**. The form is used to log and track calls and letters received from members requiring assistance.

The forms are turned over to the appropriate unit for resolution. The focus is early resolution. As of last week there were 106 forms that included letters that were written as well as phone calls. Ms. Hudson also reported that a special place has been established outside the Deputy Director's office to display letters and emails received from members and others commending staff for excellent service. Bart Duncan also reports compliments to the staff by sending a group call to everyone.

Commissioner Zvanski complimented Ms. Hudson and her staff for the improvements and was very impressed with the Problem Resolution Form.

Update on Plan 1 Newspaper: Ms. Yvonne Hudson presented an update on Rutherford Publishing, the publishers of the Total Wellness Newsletter. Ms. Hudson reported that she and Edna Erfe met with Mr. Ronnie Marroquin, President of Rutherford Publishing, to discuss the status of the contract. They discussed how to improve the quality of the newsletter and make it a better communication tool. It was confirmed that HSS can customize the entire front and back pages (Pages 1 & 8) of the newsletter and put whatever special information desired. Ms. Hudson stated that she received a disk from Rutherford Publishing containing the Total Wellness Newsletter that can be uploaded onto the HSS Web page. Rutherford Publishing will provide editing and writing assistance when needed at no extra charge. Ms. Hudson also mentioned ideas would be explored to change the logo and the name to something other than Total Wellness. Bart Duncan mentioned that HSS would like to eventually develop a newsletter that would go out to all HSS members.

Staff Financial Report: Bart Duncan indicated that there was no need for this report this month.

060800-03 **Action Item**

Presentation and acceptance (with possible modifications) of regular financial report of Towers Perrin. Mike Kramer presented to the Board the Consultant's Report with a new format. This report is attached as **Schedule 9**. Mr. Kramer said that the purpose of the new format is to provide more information regarding the Trust Fund. The first 4 pages of the financial report represent Plan 1, the HMOs, and the totals for these plans.

Mr. Kramer stated that for the current month, May, there was a noted increase in the amount of dependent claims made; May was a heavy claims month. There was also an increase in the pharmacy claims to $805,583. Total income for Plan 1 members was just under $3 million. Expenses including all claims, vision premiums, and an estimate of expenses for Plan 1 members are $3.1 million dollars, which represents a Trust Fund loss of $162,000.

Mr. Kramer concluded by summarizing that the Trust Fund is performing as projected during the course of the year and that varying amounts are on the positive side. Mr. Kramer told the Board that the column of zeros in the Plan 1 Chemical Dependency is because Towers Perrin is still working with UBH to get figures before they can split out the claims. Mr. Kramer stated that the total Trust Fund experience for Fiscal Year 1999-2000 is on Page 7 and monthly totals of the trust fund are on Page 15.

Mr. Kramer stated that a report on Plan 1 Alternatives would be presented to the Board on another agenda, per their request.

Towers Perrin is working with the City and the retirees on a Charter Amendment.

Commissioner Welch inquired if the active amounts reflected in the Gain/Loss columns of the trust fund yearly totals on Pages 4-6 represents the retirees also. Mr. Kramer responded that he wasn't sure of the answer and will report back to the Board with a response.

Mike Kramer presented to the Board an estimate of the "Health Plan Membership Statistics as of May 31, 2000," attached as **Schedule 10**. This report shows enrollment statistics by Plan; active enrollment by tier; retired enrollment by tier; active enrollment by City pickup of employees; and dependent contributions. Commissioner Welch requested that another column showing the percentage of totals should be added to each column of this report. Commissioner Zvanski requested that a total of lives should be shown on this report. She also suggested a detailed description of enrollments that reflect spouse and number of dependents and/or families versus spouse and children.

Bart Duncan informed the Board that John Madden has been working on a project with the Accounting team to improve the quality of data showing expenditures that will be presented to Towers Perrin for the next Plan year.

Staff Recommendation: Accept Report

Commissioner Zvanski requested that the public comments regarding Items 2 and 3 be withheld until the end of agenda. Commissioner Zvanski requested that Item 8 be discussed out of order because Mr. Craig Oberg, of Express Scripts, had to leave the meeting early.

Public Comments: Diane Hermann thanked Mike Kramer and Towers Perrin and John Madden for their hard work for the Retiree's Association. She reported that the retirees' proposal during negotiations and the creation of an amendment was introduced by Supervisor Tang.

Action: A motion was made and approved by the Board to accept the Financial Report given by Towers Perrin. The motion was passed 4-0.

060800-04 **Discussion Item** **Report on recent activities of the Customer Service Task Force.**

Commissioner Fraser reported to the Board that the Customer Service Task Force met June 1st to do a debriefing of the open enrollment with the staff and vendors who participated in the last open enrollment. Commissioner Fraser commented on how pleased the Board is with open enrollment and how hard everyone worked to make it a success. The second half of the Customer Service Task Force meeting was to have Yvonne Hudson's preview of the customer service enhancements. The Customer Service Task Force next two projects are to continue to make enhancements with customer service throughout the year and find better ways to evaluate vendors.

Bart Duncan and the Board thanked Commissioner Fraser and the Customer Service Task Force for their contribution in the success of this year's open enrollment.

Public Comments: None

060800-05	**Discussion Item**	**Report on recent activities of the Finance and Budget Committee.**

Commissioner Zvanski stated that some of the discussions that took place at the Finance & Budget Committee meeting can be found in Towers Perrin's finance report, i.e. categories, where money is going etc. The Committee has been working at improving response and participation with school districts so that finances come in a timely fashion and protect the Trust Fund.

Public Comments: None

060800-06	**Discussion Item**	**Report on recent activities of the Rates and Benefits Committee, including discussion of possible use of a four-tier rate structure for Fiscal Year 2001-2002 plans.**

Commissioner Welch reported that the Rates & Benefits last meeting was May 31, 2000 and the main focus was on HMO increased costs, possible Plan changes, having HMOs to go to bid, and the rate structure. The next meeting is July 19, 2000, at 10:30 AM. The agenda will include issues outstanding with Plan 1, vision, and pharmaceutical.

Staff Recommendation: Accept Report

Public Comments: None

060800-07	**Action Item**	**Decision whether to use a four -tier rate structure for Fiscal Year 2001-2002 plans.**

Mike Kramer presented the "Illustration of 4-Tier Rating Sheet," attached as **Schedule 11**. Mr. Mittica informed the Board that the 4-tier structure encourages a spouse to use their own medical coverage through their own employer rather than City Plan.

Commissioner Zvanski requested to see the 4-tier set up for Plan 1 so that its impact on everyone, including the retirees, can be better reviewed.

Commissioner Fraser asked if the 4-tier structure is really an option for the Board to consider.

Bart Duncan indicated his concern that systems limitations would wake implementation of the 4 tier structure during FY 2001-2002 extremely difficult, if not impossible. Ms. Fraser expressed the need for the retirees to be sure that there is legislation that will accommodate a 4-tier structure rate in the Charter Amendment.

Commissioner Zvanski asked Ray Wong, Deputy Director of Information Services, if People Soft can accommodate a greater rate structure if we went from 3 to 4 tiers. Mr. Wong said that he didn't know and he will report back to the Board.

Staff Recommendation: Continue studying four-tier rate structure, but do not implement for Fiscal Year 2001-2002.

Public Comments: None

Action: The Board decided to continue to study the four-tier rate structure and to ask for both 3-tier and 4-tier rates in the upcoming request for proposals for HMO vendors.

060800-08 **Discussion Item** **Performance Review-Express Scripts (Pharmacy Benefit Vendor).**

Mr. Craig Oberg, General Manager of Express Scripts (ES), presented updates from last meeting of May 11, 2000. Mr. Oberg responded to Commissioner Fraser's review of ES and her assessment that the penalties when performance guarantees are not met appeared to be low.
Mr. Oberg informed the Board that Express Scripts' senior management agreed to increase the penalties 50% for the remainder of the contract term.

Mr. Oberg responded to the generic policy and its impact on the members stating it was an issue with the plan design that was implemented by the Health Service System. Mr. Oberg stated that after meetings with Bart Duncan and his staff, an agreement has been reached to allow members to get brand name drugs when a generic is available through mail order. After discussion by the Board it was agreed that the member would be required to attach a note to the prescription before mailing it in.

A letter with detailed instructions will be mailed out to membership and a draft of the letter will be sent to Bart Duncan for his review and approval before it is sent.

Commissioner Paretchan asked how a member could obtain the cost of generics and the brand name in advance of mailing in the prescription. Mr. Duncan stated that a member could call the pharmacy ahead of time and get the information before the form is attached to the prescription.

Commissioner Welch cautioned the Board about patients having the freedom to choose their own medication (generic & brand name) without doctor's knowledge, and questioned the appropriateness of clients altering prescriptions.

Mr. Oberg presented to the Board the results of his investigation into member issues. Bart Duncan reported to the Board that his staff has turned in all issues to ES and that he hasn't had any more issues since the ones mentioned previously.

Public Comments: Ms. Jean Thomas of Retirees Association had a question regarding generic and brand name costs. Mr. Winchell T. Hayward, President of the Retirees' Guild, Local 21, IFPTE, expressed his concerns about generic and brand name prescriptions and will send a letter to the Board regarding this subject.

060800-09 **Action Item**

Determine whether to conduct RFP process for a new pharmacy vendor for Fiscal Year 2001-2002.

Staff Recommendations: Do not conduct such a process for Fiscal Year 2001-2002.

Public Comments: None

Action: The Board was satisfied with the adjustments that Express Scripts has made and a motion was moved and seconded not to conduct a RFP process for the pharmacy vendor for Fiscal Year 2001-2002. The motion passed 4-0.

060800-10	**Discussion Item**	**Report by Towers Perrin on Plan 1 Alternatives.** **Public Comments:** Mr. Roland Mittca presented the Exploration of Alternatives to City Health Plan 1, attached as **Schedule 12**. Alternatives presented are: Outsourcing Plan 1 Administration; Insuring Plan 1; Offering an Alternative Alongside Plan 1; Offering Another HMO; and Joining CalPERS.
060800-11	**Action Item**	**Decision whether to conduct a competitive solicitation process to pursue any Plan 1 alternatives for Fiscal Year 2001-2002.** **Staff Recommendation: Conduct a Request for Information (RFI) in early 2001 to look for possible options for Fiscal Year 2002-2003.** **Public Comments: None** **Action:** Board agreed to carry forward discussion of items until next Board meeting in July.
060800-12	**Discussion Item**	**Opportunity to place items on future agendas.** Items 10 and 11 were forwarded by the Board to be discussed at the July meeting. Bart Duncan will see if Brown and Toland will be available for the next meeting. **Public Comments: None**
060800-13	**Discussion Item**	**Opportunity for the public to comment on any matters within the Committee's jurisdiction or interest.** **Public Comments:** Mr. Sidney Pine informed the Board of his concerns regarding rates for members with Medicare A & B. Diane Hermann asked questions regarding the 4-tier rate structure and Charter Amendment.

Adjourn 4:03 PM

SUMMARY OF HEALTH SERVICE SYSTEM RULES REGARDING PUBLIC COMMENT

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For assistance, call Arnetta Brown, Commission Secretary, at 554-1727.

HEALTH SERVICE BOARD

NOTICE AND AGENDA

Special Meeting
Thursday, July 13, 2000 too late to post
12:00 PM

City Hall, Room 416
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

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☐	**Call to Order**		
☐	**Roll Call**	President Heldfond Vice President Zvanski Commissioner Deignan Commissioner Fraser Commissioner Paretchan Commissioner Welch Commissioner Yee	
☐	**07132000-01S**	**Discussion Item**	**Public comment on all matters pertaining to the closed sessions** Public Comments:
☐	**07132000-02S**	**Action Item**	**Vote on whether to hold closed sessions to hear appeals and to confer with legal counsel** (San Francisco Administrative Code section 67.10(d)) Staff Recommendation: Hold closed sessions Public Comments: Action:

CLOSED SESSIONS PURSUANT TO ARTICLE I, SECTION 1 OF THE CALIFORNIA CONSTITUTION AND PURSUANT TO GOVERNMENT CODE SECTIONS 54956.9(C) AND 54956.9(B)(3) AND SAN FRANCISCO ADMINISTRATIVE CODE SECTION 67.10(D)

Closed Session I: Consideration of the following appeal pursuant to Section 12.200(5)

☐	**07132000-03S**	**Action Item**	**Appeal of denial by City Health Plan of coverage for prescription drug (HSS No. 09134-00)** Staff Recommendation: Approve coverage for this

		member for fiscal year 1999-2000 only. Consider possible changes to this drug category during rates and benefits process for fiscal year (2001-2002) Action:
Closed Session II: Conferences with legal counsel		
❑ **07132000-04S**	**Discussion Item**	**Pending litigation** Number of cases: 1 X as defendant *Local 21 v. City and County of San Francisco et al. – Appeal by plaintiff*
❑ **07132000-05S**	**Discussion Item**	**Anticipated litigation** **Number of cases: 1** **Number of potential cases: unknown** *X as defendant*
RECONVENE IN OPEN SESSION		
❑ **07132000-06S**	**Action Item**	**Possible report on action taken in closed session** (Government Code section 54957.1(a)(2) and San Francisco Administrative Code section 67.12(b)(2)) Action:
❑ **07132000-07S**	**Action Item**	**Vote to elect whether to disclose any or all discussions held in closed session** (San Francisco Administrative Code section 67.12 (a)) Action:
❑ **07132000-08S**	**Discussion Item**	**Opportunity to place items on future agendas**
❑ **07132000-09S**	**Discussion Item**	**Opportunity for the public to comment on any matters within the Board's jurisdiction** Public Comments:

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HEALTH SERVICE BOARD

July 13, 2000

The Minutes of the special meeting are missing.

San Francisco Public Library
Government Information Center

HEALTH SERVICE BOARD

NOTICE AND AGENDA

Regular Meeting
Thursday, July 13, 2000
1:00 PM

City Hall, Room 416
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

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☐	**Pledge of Allegiance**		
☐	**Call to Order**		
☐	**Roll Call**	President Heldfond Vice President Zvanski Commissioner Deignan Commissioner Fraser Commissioner Paretchan Commissioner Welch Commissioner Yee	
☐	**07132000-01**	**Action Item**	**Approval (with possible modifications) of the minutes of the following meetings:** • **Regular Meeting of May 11, 2000** *(revised since meeting of June 8, 2000)* • **Regular Meeting of June 8, 2000** *Documents provided to Board prior to meeting: Draft version of minutes for each meeting* Staff Recommendation: Approve draft minutes Public Comments: Action:
☐	**07132000-02**	**Discussion Item**	**Report of Health Service System Staff and Legal Counsel regarding the following matters:** • **Reminder regarding next meeting of Rates & Benefits Committee (Bart Duncan)** • **Update regarding the impact of Redwood Empire Medical Group's termination on Sonoma County Health Net members (Bart Duncan)**

		• **Training programs available under the contract with United Behavioral Health (UBH) (Bart Duncan)** • **Finalization of the Mills Peninsula agreement with the Beech Street PPO network (Bart Duncan)** • **Status of mailing of membership cards and plan guides for members of the City Health Plan (Bart Duncan)** • **Changes in staff of Finance and Accounting Group (Bart Duncan)** • **Status of contracts (Rebecca Saroyan)** • **Status of collections of overpayments (Rebecca Saroyan)** • **Report regarding the Claims Group, including current status of processing of medical claims for City Health Plan (Edna Erfe)** • **Report regarding the Membership Group, including transition to new fiscal year (Diana Ferrari)** • **Final report on the budget for Fiscal Year 2000-2001 (Michele Modena)** • **Report on status of office expansion plans at 1145 Market Street (Yvonne Hudson)** *Documents provided to Board prior to meeting:* ❶ *Letter from Health Net dated June 15, 2000* ❷ *Table of Contents of UBH Training Catalog* ❸ *Claims Processing Status Report*
❑ **07132000-03**	**Action Item**	**Presentation and acceptance (with possible modifications) of regular financial report of Towers Perrin** *Documents provided to Board prior to meeting: None* Staff Recommendation: Accept Report Public Comments: Action:
❑ **07132000-04**	**Discussion Item**	**Report on recent activities of the Customer Service Task Force (Commissioner Fraser)** *Documents provided to Board prior to meeting: None* Public Comments:

❑ 07132000-05	Action Item	**Election of President and Vice President for Fiscal Year 2000-2001** *Documents provided to Board prior to meeting: None* Staff Recommendation: Conduct election Public Comments: Action:
❑ 07132000-06	Action Item	**Resolution Commending Florence Gee upon her retirement after 43½ years of service** *Documents provided to Board prior to meeting: Draft resolution* Staff Recommendation: Adopt resolution Public Comments: Action:
❑ 07132000-07	Action Item	**Approval of material terms of contract with Towers Perrin for fiscal year 2000-2001** *Documents provided to Board prior to meeting: None* Staff Recommendation: Approve terms Public Comments: Action:
❑ 07132000-08	Discussion Item	**Approval to issue Request for Proposals (RFP) for HMO vendors for fiscal year 2001-2002** *Documents provided to Board prior to meeting: None* Staff Recommendation: Approve issuance Public Comments: Action:

❑	**05312000-09**	**Discussion Item**	**Report by Towers Perrin on Plan 1 Alternatives** *Documents provided to Board prior to meeting: Outline of Plan 1 Alternatives was provided to the Board and to the public at the regular Board meeting on June 8, 2000.* Public Comments:
❑	**07132000-10**	**Action Item**	**Decision whether to conduct a competitive solicitation process to pursue any Plan 1 alternatives for Fiscal Year 2001-2002.** *Documents provided to Board prior to meeting: None* Staff Recommendation: Conduct a Request for Information (RFI) in early 2001 to look for possible options for Fiscal Year 2002-2003 Public Comments: Action:
❑	**07132000-11**	**Discussion Item**	**Opportunity to place items on future agendas**
❑	**07132000-12**	**Discussion Item**	**Opportunity for the public to comment on any matters within the Board's jurisdiction** Public Comments:

SUMMARY OF HEALTH SERVICE SYSTEM RULES REGARDING PUBLIC COMMENT

- Speakers are urged to fill out a speaker card in advance, but may remain anonymous if so desired.
- A member of the public has up to three minutes to make pertinent public comments before action is taken on any agenda item.
- A member may comment on any matter within the Board's jurisdiction at the designated time at the end of the meeting.

The complete rules are set forth in Section A(6) of the Health Service System Rules and Regulations. A copy of these Rules and Regulations is available at any time upon request. Call Arnetta Brown at 554-1727.

CITY AND COUNTY OF SAN FRANCISCO

REGULAR MEETING MINUTES OF THE HEALTH SERVICE BOARD

Thursday, July 13, 2000

President Heldfond
Vice President Zvanski
Commissioner Deignan, Excused
Commissioner Fraser
Commissioner Paretchan
Commissioner Welch
Supervisor Leland Yee, Excused

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Call to Order
1:10 PM

PLEDGE TO ALLEGIANCE
ROLL CALL

071300-01 **Action Item** **Approval (with possible modifications) of the minutes of the following Health Service Board Regular Meeting:**

- **Regular Meeting of May 11, 2000** (revised since meeting of June 8, 2000).
- **Regular Meeting of June 8, 2000**

Staff Recommendation: Approve Minutes.
Commissioner Welch requested that Page 9 of the June 8th minutes be amended to indicate that she questioned the appropriateness of members altering prescriptions.

Public Comments: None

Action: Motion to approve minutes with the amendment requested by Commission Welch was made and seconded. The motion passed 5-0.

Board moved and approved advancing to Item No. 5 before continuing with the order of the Agenda.

071300-05 **Action Item**

Election of President and Vice President for Fiscal Year 2000-2001.

Commissioner Fraser nominated Scott Heldfond as President and Claire Zvanski as Vice President of the Board for Fiscal Year 2000-2001. The motion was seconded and passed 5-0. President Heldfond and Vice President Zvanski accepted their nominations and complimented Bart Duncan and his staff for making their jobs easier.

Bart Duncan extended congratulations and approval on behalf of the HSS staff of the re-election of President Heldfond and Vice President Zvanski.

Public Comments: None

071300-02 **Discussion Item**

Report of Health Service System Staff and Legal Counsel regarding the following matters:

Reminder regarding next meeting of Rates & Benefits Committee.

Bart Duncan announced that the next Rates & Benefits meeting would be Wednesday, July 19, 2000, at 10:30 AM, in Room 416. The agenda will go out Friday, July 14, 2000.

Update regarding the impact of Redwood Empire Medical Group's termination on Sonoma County Health Net members.

Bart Duncan referred to a letter from Joanne Haggerty, of Health Net, to Diana Ferrari which announced that the Redwood Empire Medical Group is winding down its operations, and that Health Net is transitioning its patient base to other medical groups in Santa Rosa with minimal disruption. This letter, dated June 15, 2000, is attached as **Schedule No. 1**.

Training programs available under the contract with United Behavior Health (UBH).
Bart Duncan announced that he now had further information regarding the 200 hours of free training under the UBH contract. A table of contents from the UBH training manual was provided to the Board and is attached as **Schedule No. 2**. Mr. Duncan indicated that the Wellness programs shown in the table of contents would be of great value to HSS members. The staff will continue to work with UBH and set up a variety training programs for members in the near future. He expressed appreciation to Diane Hermann for raising questions about these training hours in previous Board meetings.

Mr. Duncan indicated that according to UBH, other City departments had expressed interest in obtaining some of these 200 training hours. He informed UBH that the Health Service System would expect to be paid any such hours at the hourly rates specified in the UBH contract.

Finalization of the Mills Peninsula Hospital agreement with the Beech Street PPO Network.
In follow-up to the June 8th Board meeting, Bart Duncan reported that the agreement with Mills is now signed. The July issue of Total Wellness included an announcement that Mills is now back with the Beech Street PPO Network.

Status of mailing membership cards and plan guides for members of the City Health Plan.
Bart Duncan reported that as a result of limitations imposed by Express Scripts, HSS will not be able to carry out its original intent to provide new Plan 1 membership cards (with a 7/1/00 effective date) to all Plan 1 members. Express Scripts indicated that once the transition to a new system is complete later this year, it would be able to accommodate HSS requirements for future ID cards. Continuing Plan 1 members should therefore continue using their old Plan 1 ID cards.
All lost cards should be reported to the Express Scripts for replacement.

Commission Zvanski asked why certain members in Hetch Hetchy have not received their membership cards in the mail. Mr. Duncan responded that the staff was working with solving any remaining problems with these cards.

Changes in staff of Finance and Accounting Group
Bart Duncan announced to the Board that an offer to a candidate to fill the manager of Finance and Accounting positions had been made and that staff was optimistic that they would soon receive a positive response. An update will be provided at the August Board meeting. Steve Lucich is the new Senior Accountant from the Library and Karen Chan, originally from the Controller's Office, is now a permanent member of the HSS staff. Ron Carandang, the HSS Accounts Payable Accountant has accepted another position at DPH. Richard White is the new Accounts Payable Accountant and Wanda Wu is a new Senior Account Clerk working with the Finance Group.

Status of Contracts.
Deputy City Attorney Rebecca Saroyan announced that the renewal contracts and amendments are complete and finalized for Kaiser, Health Net, Beech Street, Colonial Life, EBS, ReliaStar, Rutherford, Unum, and VSP.

The Board received a copy of the Contract Status Report for 2001. This report is attached as **Schedule #3.** Ms. Saroyan stated that she is very pleased with the response and cooperation of all of the vendors in helping to get the amendments and contracts finalized before the deadline.

Status of plan to collect overpayments.
Deputy City Attorney Rebecca Saroyan reported that with the assistance of Laney Whitcanack of the City Attorney's Office, overpayments of $200,000 had been received and that approximately $237,000 had been collected through offset. Another collection of $200,000 is expected within the next ten days. Ms. Saroyan stated that she would present a more complete report and a spreadsheet that will outline the progress of these collections at the next Board meeting in August.

Bart Duncan thanked Rebecca Saroyan for her success in completing the contracts before the beginning of the 2000-2001 fiscal year.

Bart announced to the Board that reports from the Claims Group and the Membership Group would become standing items within the staff report on the agenda.

As a result, the Board and the public will become better acquainted with the HSS team managers and be kept informed of issues and concerns of each division.

Report regarding the Claims Group, including current status of processing of medical claims for City Health Plan. Edna Erfe presented an updated Medical Claims Activity Report, attached as **Schedule No. 4**. There were 10,627 outstanding claims as of the week ending July 7, 2000. Ms. Erfe reported that the purging of all 1998 duplicate paid claims and the hard work of the Claims Group on Saturdays, were the reasons for the reduction in outstanding claims.

The Summary Plan Document will be mailed out to all City Plan 1 members by the end of next week.

Report regarding the Membership Group, including transition to new fiscal year.
Diana Ferrari reported that, as a result of the transition to a new fiscal year, employees are receiving 2 paychecks and that the usual deduction of benefits will be divided in half on for each check. This is the first time that the Payroll department has divided deductions and it causes members to flood the telephone lines with inquiries. Success of open enrollment has caused appeals to decrease significantly. The Open Enrollment Team has been nominated for Department of Human Resources' (DHR) Employee Recognition Award for outstanding work this year. Winners will be announced at the awards dinner on August 3, 2000.

Open Enrollment for the Management Cafeteria Plan will be held from August 7-25, 2000.

Joanne Haggerty of Health Net, indicated, however, that due to the City's contract with Health Net, no member disruption will occur until June 30, 2001.

Booklets should go to reproduction by July 25, 2000 and to the mail house by July 28, 2000.

Diana Ferrari presented to the Board a letter from Joanne Haggerty, of Health Net, dated July 11, 2000. This letter is attached as **Schedule #5**.

Health Net will no longer offers the Medicare +Choice HMO product, Seniority Plus, in Fresno and Sonoma counties starting January 1, 2001.

Joanne Haggerty, of Health Net, indicated, however, that due to the City's contract with Health Net, no member disruption will occur until June 30, 2001.

Final report on the budget for Fiscal Year 2000-2001.
Angela Joyner, Fiscal Services Manager for DHR, distributed to the Board the Interim Operating Budget for Fiscal Year 2000-2001 and presented budget highlights for the fiscal year. This report is attached as **Schedule No. 6**. The Board of Supervisors is scheduled to do their second reading of the budget on July 17th and will approve the final budget on July 24, 2000. Ms. Joyner stated that the Labor & Finance Committee of the Board of Supervisors had approved the total cost of $6.190 million for the operating budget service for Health Service System.

Report on the status of office expansion plans at 1145 Market Street.
Yvonne Hudson reported that the Workers Compensation Division is expected to move to 30 Van Ness on August 4, 2000 and an architect visited the HSS office last week to develop preliminary a space design. A vendor will come next week to visit Ms. Hudson and staff to determine furniture needs and office layout. Special plans are being made to enhance the Customer Service area and redesign the lobby area so that 3 Analysts instead of just 2 will be available to customers. A special private area will be created to serve customers with confidential issues that must now be discussed in a more open area. A second telephone monitoring board (ACD) will also be set up in the new space. The HSS staff move will be complete by the end of September.

Bart Duncan stated that there aren't any funds in the budget for a new claims system. The two 1404 clerks mentioned in the FY Interim Report are not extras, but are already working with HSS. The Board was informed that customer service improvements would be enhanced if additional staff were available to work on the telephone system.

071300-03	**Action Item**	**Presentation and acceptance (with possible modifications) of regular financial report of Towers Perrin.** Bart Duncan apologized to the Board for not having the materials related to the Towers Perrin Report and RFP materials in advance of the meeting due to systems staffing and unanticipated fiscal year transition problems. Mike Kramer presented to the Board the Consultant's Report, attached as **Schedule No. 7.** In discussing the report, Mike Kramer pointed out that the City continues to take in more money for HMO members than it expends for their members. The amount left constitutes the "gap dollars" that the Board has previously decided to hold in a separate gap dollar reserve. Bart Duncan clarified that while the Board had decided to create such a reserve, it had not earmarked it for any specific purpose. Commissioner Welch noted that gap dollars are not being generated for the retirees by Medicare. Mr. Kramer confirmed that given the way the retiree's rates are tabulated, there are no gap dollars. Commissioner Zvanski suggested modifications in the format of the report. Commissioner Welch noted the improvement of the trends for Plan 1, particularly the graphs showing the trust experience by month for 1999-2000, and claims submitted, and claim pending. **Staff Recommendation: Accept Report** **Public Comments: None** **Action:** Motion was moved and seconded to accept the financial report of Towers Perrin. Motion passed 5-0.
071300-04	**Discussion Item**	**Report on recent activities of the Customer Service Task Force.** Commissioner Fraser announced that a representative from Brown and Toland was present to make a presentation. The Board decided at their last meeting to invite Brown & Toland and ask them questions regarding an article that appeared in the Bay Guardian.

Mark Ficker, CFO, and Mary Jo Callahan, Vice President of Managed Care, made a presentation regarding the financial stability of Brown and Toland. A copy of this report is attached as **Schedule No. 8**. Mr. Ficker reported that the Bay Guardian article about them was grossly inaccurate. Brown & Toland are a medical group with 230,000 members in San Francisco, 180 million dollars in revenue, and 35 million dollars in assets. Contrary to the newspapers, Brown and Toland had achieved a solid turnaround and their future is secure. Brown & Toland Medical Group owns Brown & Toland Physician Services, described as an administrative arm which handles all of the contracts between insurance companies and physicians, and is 100% owned by the physicians. Mr. Ficker assured the Board that the physicians are not employees of the medical group, but are contracted. The amounts of reimbursements to the physicians were cut, but their compensation was raised 5% on July 1, 2000. Mr. Ficker told the Board that Gloria Austin is the new CEO as of 3 months ago and he has been with the organization for 9 months. Ms. Callahan mentioned positive things were written in the newspaper about Brown & Toland's work and quality care with persons suffering from AIDS. There are over 2500 patients that are HIV positive or have AIDS.

Questions were asked regarding the impact of the dissolution of the UCSF Stanford Hospital merger. The Board was informed that 11% of total operation goes to administration and Brown & Toland is no longer in Stanford, or in the San Mateo marketplace. San Francisco will be the main point of focus. Relationships exist with St. Luke's, St. Mary's, and St. Francis hospitals. Brown & Toland also contracts with 4 health plans for a senior product in 1999-2000. There are currently no contracts that will cover MediCAL.

Bart Duncan introduced Express Scripts' account representative, Lael Byrne.

Public Comments: None.

071300-06	**Action Item**	**Resolution commending Florence Gee upon her retirement after 43 1/2 years of service.** President Heldfond read the Resolution of Commendation for Florence Gee's retirement to the Board. The Resolution of Commendation is attached as **Schedule No. 9.** **Staff Recommendation: Adopt Resolution.** **Public Comments: None** **Action:** Motion was moved and seconded to adopt the resolution. Motion passed 5-0.
071300-07	**Action Item**	**Approval of material terms of contract with Towers Perrin for Fiscal Year 2000-2001 plans.** Bart Duncan presented to the Board a one-page summary of essential terms for renewing of the Towers Perrin's contract, attached as **Schedule 10.** **Staff Recommendation: Approve terms.** **Public Comments: None** **Action:** Motion was moved and seconded to accept the terms of contract with Towers Perrin for fiscal year 2000-2001 and to authorize staff to complete the contracts with their terms. Motion was approved and passed 5-0.
071300-08	**Discussion Item**	**Approval to issue Request for Proposals (RFP) for HMO vendors for Fiscal Year 2001-2002.** Bart informed the Board that Towers Perrin prepared the material and questionnaire that will be included within the RFP. Roland Mittica presented this material, a copy of which is attached as **Schedule No. 11.** President Heldfond inquired about Durable Medical Equipment (DME) and having uniformity in all areas of the plan. Mr. Mittica admitted that this was not included in the draft specifications and he will add DME and prosthetics to the RFP draft. He will also include retirees, Medicare, and coverage for members that are out of the area. Bart announced that the target date to issue the RFP is the end of July and he hoped to have a draft of the RFP available to the Board by the week of July 24th.

Commissioner Welch indicated she would have comments for the RFP.

Public Comments: None

071300-09	**Discussion Item**	**Report by Towers Perrin on Plan 1 Alternatives.** Mike Kramer presented the alternatives for Plan 1 to the Board, attached as **Schedule No. 12**. Some alternatives discussed were offering different tiers of Plan 1, outsourcing paying claims, insurance for a fixed premium, additional or replacement of an HMO, and CalPERS. A comparison of City and CalPERS Plan Costs was distributed to the Board. This is attached as **Schedule No. 13**.
071300-10	**Action Item**	**Decision whether to conduct a competitive solicitation process to pursue any Plan 1 alternatives for Fiscal Year 2001-2002.** President Heldfond recommended placing on another agenda a discussion regarding having another Plan 1, or an indemnity plan, and outsourcing claims, since no changes can be done until 2002. The Board agreed that a special meeting might be needed to discuss options and alternatives per the City Charter, funds, and projected consequences. President Heldfond also mentioned that Supervisor Yee should be informed of these discussions. **Public Comments:** Diane Hermann, representative for the retirees, commented on investigating qualifications of contractors before approaching them regarding alternatives to Plan 1. Jerry DeRyan, retiree, commented about the Charter Amendment and retirees being left out of City Plan. He also mentioned a recent meeting with the Mayor regarding HSS, and encouraged the Board to continue its fine efforts to address HSS issues. **Staff Recommendations:** Conduct a Request for Information (RFI) in early 2001 and look for possible options for Fiscal Year 2002-2003.

Action: Moved and seconded to conduct a Request for Information (RFI) in early 2001-2002 and look for possible options for Fiscal Year 2002-2003. Motion passed 5-0.

Public Comments: None

071300-11 **Discussion Item** **Opportunity to place items on future agendas.**

071300-12 **Discussion Item** **Opportunity for the public to comment on any matters within the Board's jurisdiction.**

Public Comments: Dennis Krueger, of the Fire Fighters Union, expressed concerns regarding members who are searching for doctors in the Sonoma area because of the closing of Redwood Empire Medical Group, Inc. and notification of doctors to open their enrollment to new patients.

Commissioner Zvanski wanted to know the impact of the closing of REMGI (Redwood Empire Medical Group, Inc.) on members who are on Medicare and would like to keep their doctors.

Joanne Haggerty, of Health Net discussed the various efforts of Health Net to ensure that there is minimal disruption for Health Net members as a result of the dissolution of REMGI. She also described the steps being taken by Health Net to make sure retirees are adequately prepared for the termination of Health Net's Medicare risk plan in Sonoma County.

Pam Morton, of PacifiCare reported that PacifiCare has a specific provider network team that looks at disruptions and tries to minimize them as much as possible. This outreach program moved 225 members of the REMGI group to other medical groups. PacifiCare's Medicare members are handled by Secure Horizon, which is the largest Medicare plus choice contractor in the country. PacifiCare did not experience any service area reduction in California during this plan year.

Diane Hermann announced that the Rules Committee of the Board of Supervisors had approved the full Charter Amendment sponsored by the Protect Our Benefits Committee.

The Charter will go before the Board of Supervisors on July 17th and will be acted upon by on July 24th. Ms. Hermann also commented on improvements that need to be made to telephone service at HSS.

Adjourn 4:05 PM

SUMMARY OF HEALTH SERVICE SYSTEM RULES REGARDING PUBLIC COMMENT

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HEALTH SERVICE BOARD

NOTICE AND AGENDA

Regular Meeting
Thursday, August 10, 2000
1:00 PM

City Hall, Room 416
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

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☐	**Pledge of Allegiance**		
☐	**Call to Order**		
☐	**Roll Call**	President Heldfond Vice President Zvanski Commissioner Deignan Commissioner Fraser Commissioner Paretchan Commissioner Welch Commissioner Yee	
☐	**08102000-01**	**Action Item**	**Approval (with possible modifications) of the minutes of the following meeting:** • **Regular Meeting of July 13, 2000** *Documents provided to Board prior to meeting: Draft version of minutes.* Staff Recommendation: Approve draft minutes Public Comments: Action:
☐	**08102000-02**	**Discussion Item**	**Report of Health Service System Staff and Legal Counsel regarding the following matters:** • **Status of HMO RFP (Bart Duncan)** • **Introduction of the newly appointed Manager of Finance and Accounting (Bart Duncan)** • **Status of collection of overpayments (Rebecca Saroyan)**

		• **Report regarding the Claims Group, including current status of processing of medical claims for City Health Plan (Edna Erfe)** • **Report regarding the Membership Group including Open Enrollment for Management Cafeteria Plan (Diana Ferrari)** • **Training programs available under the contract with United Behavioral Health (UBH) (Yvonne Hudson)** • **Report on status of office expansion plans at 1145 Market Street (Yvonne Hudson)** • **Report on status of Instructional Video for completing enrollment applications (Yvonne Hudson)** *Documents provided to Board prior to meeting:* ◆ *Claims Processing Status Report*
❑ **08102000-03**	**Action Item**	**Presentation and acceptance (with possible modifications) of regular financial report of Towers Perrin** *Documents provided to Board prior to meeting: None* Staff Recommendation: Accept Report Public Comments: Action:
❑ **08102000-04**	**Discussion Item**	**Report on recent activities of the Rates & Benefits Committee (Commissioner Welch)** *Documents provided to Board prior to meeting: None* Public Comments:
❑ **08102000-05**	**Action Item**	**Resolution commending Priscila Feniquito on her retirement after 18 years of service** *Documents provided to Board prior to meeting: Draft resolution* Staff Recommendation: Adopt resolution Public Comments: Action:
❑ **08102000-06**	**Discussion Item**	**Opportunity to place items on future agendas** Public Comments:

❑	08102000-07	Discussion Item	**Opportunity for the public to comment on any matters within the Board's jurisdiction** Public Comments:

SUMMARY OF HEALTH SERVICE SYSTEM RULES REGARDING PUBLIC COMMENT

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DISABILITY ACCESS

The meeting will be held at City Hall, #1 Dr. Carlton B. Goodlett Place, Room 416. The closest accessible BART Station is Civic Center, three blocks from City Hall. Accessible MUNI lines serving this location are: #42 Downtown Loop, and the #71 Haight/Noriega and the F Line to Market and Van Ness and the Metro stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services, call (415) 923-6142. There is accessible parking in the vicinity of City Hall at Civic Center Plaza adjacent to Davies Hall and the War Memorial Complex.

Accessible seating for persons with disabilities (including those using wheelchairs) will be available.

The following services are available upon request:

- American Sign Language interpreters will be available upon request.
- A sound enhancement system will be available upon request at the meeting.
- Minutes of the meeting or hearing are available in alternative formats.

If you require the use of any of these services, please contact Arnetta Brown at (415) 554-1727 at least 72 ours prior to the meeting.

In order to assist the City's effort to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City accommodate these individuals.

KNOW YOUR RIGHTS UNDER THE SUNSHINE ORDINANCE

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, Boards, Councils and other agencies of the City and County exist to conduct the people's business. The Sunshine Ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact Rachel Arsntine-O'Hara by mail to Administrative Services, #1 Dr. Carlton B. Goodlett Place, Room 362, by phone at (415) 554-6171, by fax at (415) 554-6177 or by email at Rachel_ArnstineO'Hara@ci.sf.ca.us

Citizens interested in obtaining a copy of the Sunshine Ordinance can request a copy from Ms. Arnstine-O'Hara or by printing Chapter 67 of the San Francisco Administrative Code in the Internet, at http://ww.amlegal.com/sanfran/viewcode.htm

CITY AND COUNTY OF SAN FRANCISCO

REGULAR MEETING MINUTES OF THE HEALTH SERVICE BOARD

Thursday, August 10, 2000

President Heldfond
Vice President Zvanski
Commissioner Deignan, Excused
Commissioner Fraser
Commissioner Paretchan
Commissioner Welch
Supervisor Leland Yee, Excused

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Call to Order
1:05 PM

PLEDGE TO ALLEGIANCE
ROLL CALL

08102000-01 **Action Item** **Approval (with possible modifications) of the minutes of the following Health Service Board Regular meeting:**

- July 13, 2000

Staff Recommendation: Board moved to approve minutes with amended clerical corrections and procedures suggested by Commissioner Zvanski.

Public Comments: None

Action: Moved and seconded by the Board to accept the draft of minutes of the July 13th Regular meeting with amended corrections and procedures. Motion passed 4-0. (One Commissioner arrived after completion of Item No. 1).

08102000-02	Discussion Item	**Report of Health Service System Staff and Legal Counsel regarding the following matters:**

Status of HMO RFP

Bart Duncan reported that a list of ten prospective vendors received their Request for Proposal (RFP) by hand delivery on Wednesday, August 9, 2000. Deputy City Attorney Rebecca Saroyan, Mike Kramer and Roland Mittcia of Towers Perrin were instrumental in helping to get the proposal package together and out on time. Deadline for responses is Friday, September 15, 2000, at 5 PM. There will be a pre-proposal conference on Tuesday, August 22, 2000, at 2 PM, at 1145 Market Street, 5th floor conference room.

Introduction of the newly appointed Manager of Finance and Accounting.

Bob Hencier was introduced to the Board as the newly appointed Manager of Finance and Accounting for the Health Service System. Mr. Hencier will be attending the Fraud Prevention Institute Training in Las Vegas on September 13-14, 2000; therefore, he will not be able to attend the next HSB meeting. He will make his first financial and accounting report at the Regular Board meeting in October.

Status of collection of overpayments and Contract Status Reports

Rebecca Saroyan distributed to the Board the Year 2001 HSS Contract Status Report, attached as **Schedule #1**, and a summary of the partial payment project entitled Health Service System Partial Payment Project- Financial Recovery Progress Report. This report, attached as **Schedule #2**, was prepared by Deputy City Attorney Saroyan and Laney Whitcanack. Ms. Whitcanack reported to the Board that out of the $276,518 owed HSS, Cal-Pacific owes $130,000. She further reported that all of the pending amounts due, over $1,000 should be paid by the end of August. Because of the lack of contracts, no carrying charges are assessed to the providers who owe money to HSS.

Report regarding the Claims Group, including current status of processing of medical claims for City Health Plan (Edna Erfe).

Edna Erfe presented the report on Medical Claims Activity, attached as **Schedule #3**. Ms. Erfe reported a shortage in the Claims staff as a result of the retirement of one 1209 Benefits Technician. An announcement and posting of this vacancy is targeted for the end of August. A new assistant supervisor, Beaulah Smith, was appointed last week to the Claims group. A picture and article introducing the Claims staff will appear in the September issue of Total Wellness.

Report regarding the Membership Group including Open Enrollment for Management Cafeteria Plan.

Diane Ferrari reported that Andrea Gourdine hosted an Employee Recognition Dinner on Thursday, August 3, 2000. The Open Enrollment Team was awarded the 2nd Place Director's Award. Each member received a certificate for Outstanding Achievement.

The Membership staff is experiencing delays with obtaining reports for reconciliation and for the vendors because of the transition from the last fiscal year to the new one. Ms. Ferrari reported that staff has been working with the vendors to insure Medicare compliance and we hope to have a universal Medicare choice form that all of the plans will use shortly.

Bart Duncan reported that the system issues are having a significant impact on operations (i.e. payroll postings are several payrolls behind) and are receiving attention at all levels at DTIS. DTIS staff is working overtime and outside resources are also being used to correct the problem. DTIS hopes to correct the problem and have everything up to date by September 22nd. These delayed postings also had an impact on the financial report prepared by Towers Perrin. Mr. Duncan went on to report that the posting problems have also impacted members, particularly those with flexible spending accounts. In response to questions from Commissioner Fraser and President Heldfond, Mr. Duncan stated that he would work with Jean Thomas from the Retirees Association to put information regarding the posting in their newsletter and encouraged the Board to make whatever calls they believe would help to get the word out.

Mr. Duncan will email any additional information.

The Management Cafeteria Plan Open Enrollment booklets were distributed on time. Open Enrollment began on August 7th and will conclude on August 25th. The VDT benefit brochures and applications are being mailed to eligible employees and the mailing will be complete by Friday, August 11th. Sandi Lockwood has been appointed permanent assistant supervisor of the Membership group. The Board congratulated Membership for their hard work and accomplishments and Diana's success in getting all the vendors to agree on a universal Medicare form.

Training programs available under the contract with United Behavioral Health (UBH).
Yvonne Hudson reported that four UBH training classes were identified to offer retirees. They are (1) dealing with grief and loss, (2) elder care issues, (3) stress management, and (4) putting the happy back into holidays (offered in October or early November). Training information has already been mailed to the retirees and Ms. Sara Johnson, Office Manager, will inform Ms. Hudson of the locations for training and the retirees' choices.

Report on status of office expansion plans at 1145 Market Street.
Workers Compensation has moved to 30 Van Ness and floor plans have been completed for the new space for Health Service staff. HSS staff should be ready to occupy 24 new stations by September. Ms. Hudson will present the floor plans to the Board at the next meeting.

Report on status on Instructional Video for completing enrollment applications.
Ms. Yvonne Hudson reported that the instructional video for completing the open enrollment application is underway. Mike Freeman, of City Watch and his production crew will come to the HSS Office in September to begin filming. The staff is very excited about participating in the video and is offering ideas on how to present the information.

08102000-03	**Action Item**	**Presentation and acceptance (with possible modifications) of regular financial report of Towers Perrin.** Mike Kramer concurred with Bart Duncan's earlier report that system problems during the transition from last year fiscal year to the present have caused a delay in having their financial report for the Board. Mr. Kramer presented to the Board a Plan 1 PPO Utilization-Last Two Years report, attached as **Schedule #4**. This report is based on the dollars paid, excluding pharmacy, for the employee, retiree non-Medicare, and retiree Medicare members. This 2-year report (1999-2000 and 1998-99) reflects the significant changes in membership and shows compliance with the PPO network. Distribution of Plan 1 Medical Expenses (based on dollars paid) report was also distributed to the Board and is attached as **Schedule #5**. This report shows the cost of benefits for eligible Medicare retirees, employee, retiree Non-Medicare and all members. **Staff Recommendation: Accept Report** **Public Comments:** Marge Talbott of the Retirees Association commented about the low expense percentages for psychiatric shown on the Plan 1 Medical Expense report. **Action:** In the absence of a full financial report from Towers Perrin, the Board moved to accept the limited financial report. The motion was seconded and approved by the Board. Motion passed 5-0.
08102000-04	**Discussion Item**	**Report on recent activities of the Rates & Benefits Committee.** Commissioner Welch reported that the Rates and Benefits Committee met on July 19, 2000 and the discussion was on Plan I, vision issues, and touched on dental. Items carried forward for discussion with the Board or subsequent Rates and Benefits meetings revolved around durable medical equipment and Plan 1 ongoing discussions regarding drugs and generic benefit issues. Discussion also included questions regarding PPO benefits out of area and the extent of the PPO coverage, extensive discussion on UBH benefits, including possible better coordination of mental health rehabilitation benefit and detoxification, and better UBH and medical plan coordination.

The next meeting is scheduled for September 26, 2000, at 10 AM to 1 PM and all future meetings are on the fourth Tuesday of every month.

Public Comments: None

08102000-05	Action Item	**Resolution commending Priscila Feniquito on her retirement after 18 years of service.** Commissioner Heldfond presented the Resolution of Commendation for Priscila Feniquito to the Board, attached as **Schedule #6**.

Public Comments: None

Action: Board moved to accept the Resolution of Commendation for Priscila Feniquito. Motion was seconded and approved by the Board. Motion passed 5-0. President Heldfond signed the resolution.

08102000-06	Discussion Item	**Opportunity to place items on future agendas.** Commissioner Paretchan suggested surveying books that list past PPO providers. He stated that only one cardiologist is in Marin County and he would like recruitment for doctors for that area. Bart Duncan suggested having Beech Street analyze their current PPO list and report their findings at a future meeting. Commissioner Welch suggested re-evaluating the MEA enrollment; specifically the Management Cafeteria Plan administered by EBS and other flexible benefit plans. A survey is needed to determine level of satisfaction with the current administrator. Both MEA and the Board are requesting that such a survey take place. Commission Welch also asked if we have looked at the other benefit vendors and the customer service with regard to disability/short term coverage and recommended a survey of them as well. She also asked that EBS enrollees be reminded to have members complete the enrollment form used by HSS.

Bart Duncan presented to the Board a request made by a member to reconsider the time and days of the regular Board meeting.

The Board unanimously agreed not to change the day and time of the meetings.

President Heldfond commented that the Board meets their civic obligation when they volunteer their time to come in during their lunch for appeals.

Public Comments: None

08102000-07 Discussion Item

Opportunity for the public to comment on any matters within the Board's jurisdiction or interest.

Public Comments: Marge Talbott complimented the Health Service System for being reachable for customer service during the past 6 months and expressed a need for a list of PPOs in the Peninsula.

Adjourn 2:04 PM

SUMMARY OF HEALTH SERVICE SYSTEM RULES REGARDING PUBLIC COMMENT

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The complete rules are set forth in Section A (6) of the Health Service System Rules and Regulations. A copy of these Rules and Regulations is available at any time upon request.
For assistance, call Arnetta Brown, HSB Commission Secretary, at 554-1727.

TY & COUNTY OF SAN FRANCISCO
EALTH SERVICE SYSTEM
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n Francisco, CA 94103

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San Francisco, CA 94102

HEALTH SERVICE BOARD

NOTICE AND AGENDA

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Special Meeting
Thursday, September 14, 2000
12:00 PM

City Hall, Room 416
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

☐	**Call to Order**		
☐	**Roll Call**	President Heldfond Vice President Zvanski Commissioner Deignan Commissioner Fraser Commissioner Paretchan Commissioner Welch Commissioner Yee	
☐	**09142000-01S**	**Discussion Item**	**Public comment on all matters pertaining to the closed sessions** Public Comments:
☐	**09142000-02S**	**Action Item**	**Vote on whether to hold closed sessions to hear appeals and to confer with legal counsel** (San Francisco Administrative Code section 67.10(d)) Staff Recommendation: Hold closed sessions Public Comments: Action:

CLOSED SESSIONS PURSUANT TO ARTICLE I, SECTION 1 OF THE CALIFORNIA CONSTITUTION AND PURSUANT TO GOVERNMENT CODE SECTIONS 54956.9(C) AND 54956.9(B)(3) AND SAN FRANCISCO ADMINISTRATIVE CODE SECTION 67.10(D)

Closed Session I: Consideration of the following appeal pursuant to Section 12.200(5)

☐	**09142000-03S**	**Action Item**	**Appeal of denial to set up a Medical Reimbursement Account after Open Enrollment has ended (HSS No. 041169-00).**

		Staff Recommendation: Uphold Denial Action:
Closed Session II: Conferences with legal counsel		
❑ **09142000-04S**	**Action Item**	**Anticipated litigation** Number of cases: 1 X as defendant *Health Net's allegation that HSS has underpaid premiums* Action:
❑ **09142000-05S**	**Action Item**	**Anticipated litigation** Number of cases: 1 X as defendant *PacifiCare's allegation that HSS has underpaid premiums* Action:
Return to Open Session		
❑ **09142000-06S**	**Action Item**	**Possible report on action taken in closed session** (Government Code section 54957.1(a)(2) and San Francisco Administrative Code section 67.12(b)(2)) Action:
❑ **09142000-07S**	**Action Item**	**Vote to elect whether to disclose any or all discussions held in closed session** (San Francisco Administrative Code section 67.12 (a)) Action:
❑ **09142000-08S**	**Discussion Item**	**Opportunity to place items on future agendas**
❑ **09142000-09S**	**Discussion Item**	**Opportunity for the public to comment on any matters within the Board's jurisdiction** Public Comments:

SUMMARY OF HEALTH SERVICE SYSTEM RULES REGARDING PUBLIC COMMENT

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CITY AND COUNTY OF SAN FRANCISCO

SPECIAL MEETING MINUTES
OF
THE HEALTH SERVICE BOARD

Thursday, September 14, 2000

President Heldfond, Excused
Vice President Zvanski
Commissioner Deignan
Commissioner Fraser
Commissioner Paretchan
Commissioner Welch, Excused
Supervisor Leland Yee, Excused

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PUBLIC LIBRARY

Call to Order
12:06 PM

ROLL CALL

09142000-01S	**Discussion Item**	**Public comment on all matters pertaining to the closed sessions.**
		Public Comments: Pass (public not present).
09142000-02S	**Action Item**	**Vote on whether to hold closed sessions to hear appeals and to confer with legal counsel (San Francisco Administrative Code Section 67.10(d)).**
		Staff Recommendation: Hold closed sessions
		Public Comments: None
		Action: Vice President Zvanski moved to hold closed session. The motion was seconded and approved by the Board. The motion passed 4-0.

CLOSED SESSIONS PURSUANT TO ARTICLE 1, SECTION 1 OF THE CALIFORNIA CONSTITUTION AND PURSUANT TO GOVERNMENT CODE SECTIONS 54956.9(C) AND 54956.9(B)(3) AND SAN FRANCISCO ADMINISTRATIVE CODE SECTION 67.10(D)

Closed Session I: Consideration of the following appeal pursuant to Section 1212.200(5)

09142000-03S Action Item **Appeal of denial to set a Medical Reimbursement Account after Open Enrollment has ended (HSS No. 041169-00).**

Staff recommendation: Uphold denial.

Deputy City Attorney Rebecca Saroyan reminded the Board that legally, all Medical Reimbursements Accounts and Dependant Daycare Accounts must be renewed annually and not allowed to rollover.

Action: Board moved and seconded to denial a set Medical Reimbursement Account after Open Enrollment has ended. The motion passed 4-0. Appeal is denied.

Closed Session II: Conferences with legal counsel

09142000-04S Action Item **Anticipated litigation.**

Number of cases: 1

X as defendant

Health Net's allegation that HSS has underpaid premiums

Action: The Board moved and seconded to conditionally approve settlement. Motion passed 4-0.

09142000-05S Action Item **Anticipated litigation.**

Number of cases: 1

X as defendant

PacifiCare's allegation that HSS has underpaid premiums

Action: The Board moved and seconded to approve settlement amount. Motion passed 4-0.

RECONVENE IN OPEN SESSION

09142000-06S	**Action Item**	**Possible report on action taken in closed session (Government Code section 54957.1(a)(2) and San Francisco Administrative Code section 67.12(b)(2))** **Action: Not disclosed**
09142000-07S	**Action Item**	**Vote to elect whether to disclose any or all discussions held in closed session (San Francisco Administrative Code section 67.12 (a))** **Action: None**
09142000-08S	**Discussion Item**	**Opportunity to place items on future agenda.** **Action: None**
09142000-09S	**Discussion Item**	**Opportunity for the public to comment on any matters within the Board's jurisdiction** **Public Comments: None**

Adjourn 12:45 PM

SUMMARY OF HEALTH SERVICE SYSTEM RULES REGARDING PUBLIC COMMENT

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HEALTH SERVICE BOARD

NOTICE AND AGENDA

Regular Meeting
Thursday, September 14, 2000
1:00 PM

City Hall, Room 416
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

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☐	**Pledge of Allegiance**		
☐	**Call to Order**		
☐	**Roll Call**	President Heldfond Vice President Zvanski Commissioner Deignan Commissioner Fraser Commissioner Paretchan Commissioner Welch Commissioner Yee	
☐	**09142000-01**	**Action Item**	**Approval (with possible modifications) of the minutes of the following meeting:** • **Regular Meeting of August 10, 2000** *Documents provided to Board prior to meeting: Draft version of minutes.* Staff Recommendation: Approve draft minutes Public Comments: Action:
☐	**09142000-02**	**Discussion Item**	**Report of Health Service System Staff and Legal Counsel regarding the following matters:** • **Status of proposals for HMO Plans (Bart Duncan)** • **Request for Proposals (RFP) for COBRA processing (Bart Duncan)** • **Recent communication to retirees regarding City Plan pre-authorization and voice mail response time (Bart Duncan)**

		• **Status of collection of overpayments (Rebecca Saroyan)** • **Report regarding the City Plan Group, including status of claims processing (Edna Erfe)** • **Report regarding the Membership Group, including closure of Open Enrollment process for Management Cafeteria Plan (Diana Ferrari)** • **Report regarding the Finance Group, including monthly financial report (Bob Hencier)** • **Report on status of office expansion plans at 1145 Market Street (Yvonne Hudson)** • **Status of efforts to set up wellness programs available under the contract with United Behavioral Health (UBH) (Yvonne Hudson)** • **Report on status of efforts to get posting process on the Membership Accounting System (Wang) up-to-date (Sam Kwong, DTIS)** *Documents provided to Board prior to meeting:* ❶ *Claims Processing Status Report* ❷ *Memorandum dated 9/5/00 regarding closure of Open Enrollment for Management Cafeteria Plan*
❑ **09142000-03**	**Discussion Item**	**Report from HMO Plan Vendors regarding the following specific issues:** • **Kaiser – Implementation of policy to fill only those prescriptions issued by Kaiser doctors (Jane Fronk)** • **Health Net – Status of Health Net's provider networks in Marin and San Mateo Counties (Joanne Haggerty)** • **PacifiCare – Status of PacifiCare's provider networks in Marin and San Mateo Counties (Pam Morton)** *Documents provided to Board prior to meeting: None* Public Comments:
❑ **09142000-04**	**Action Item**	**Presentation and acceptance (with possible modifications) of regular financial report of Towers Perrin** *Documents provided to Board prior to meeting: None* Staff Recommendation: Accept Report Public Comments: Action:

❑	**09142000-05**	**Discussion Item**	**Overview of presentation given to Mayor Willie L. Brown, Jr. on August 28, 2000 (Bart Duncan & Yvonne Hudson)** *Documents provided to Board prior to meeting: Copy of presentation booklet* Public Comments:
❑	**09142000-06**	**Discussion Item**	**Update on analysis of alternatives to the City Health Plan (Bart Duncan)** Public Comments:
❑	**09142000-07**	**Discussion Item**	**Opportunity to place items on future agendas** Public Comments:
❑	**09142000-08**	**Discussion Item**	**Opportunity for the public to comment on any matters within the Board's jurisdiction** Public Comments:

SUMMARY OF HEALTH SERVICE SYSTEM RULES REGARDING PUBLIC COMMENT

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DISABILITY ACCESS

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In order to assist the City's effort to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City accommodate these individuals.

KNOW YOUR RIGHTS UNDER THE SUNSHINE ORDINANCE

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, Boards, Councils and other agencies of the City and County exist to conduct the people's business. The Sunshine Ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact Rachel Arsntine-O'Hara by mail to Administrative Services, #1 Dr. Carlton B. Goodlett Place, Room 362, by phone at (415) 554-6171, by fax at (415) 554-6177 or by email at Rachel_ArnstineO'Hara@ci.sf.ca.us

Citizens interested in obtaining a copy of the Sunshine Ordinance can request a copy from Ms. Arnstine-O'Hara or by printing Chapter 67 of the San Francisco Administrative Code in the Internet, at http://ww.amlegal.com/sanfran/viewcode.htm

CITY AND COUNTY OF SAN FRANCISCO

REGULAR MEETING MINUTES OF THE HEALTH SERVICE BOARD

Thursday, September 14, 2000

President Heldfond, Excused
Vice President Zvanski
Commissioner Deignan
Commissioner Fraser
Commissioner Paretchan
Commissioner Welch, Excused
Supervisor Leland Yee, Excused

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Call to Order
1:03 PM

PLEDGE OF ALLEGIANCE
ROLL CALL

09142000-01 **Action Item** **Approval (with possible modifications) of the minutes of the following Health Service Board Regular meeting:**

- August 10, 2000

Staff Recommendation: Approve draft minutes

Public Comments: None

Action: Moved and seconded by the Board to accept the draft of minutes of the August 10, 2000. Motion passed 4-0.

09142000-02 **Discussion Item** **Report of Health Service System Staff and Legal Counsel regarding the following matters:**

Status of HMO Plans.
Bart Duncan reported that the HMO plans and the RFP proposals issued several weeks ago are due by 5 p.m. tomorrow, September 15, 2000.

Introduction of the newly appointed Manager of Finance and Accounting.
Bart Duncan announced the appointment of Bob Hencier as the new manager for Finance and Accounting. Mr. Hencier can not attend the Board meeting because he is attending a "Fraud Prevention Institute Seminar," however, he is scheduled to be in attendance at the next meeting and will make a presentation.

Request for Proposals (RFP) for COBRA processing.
Bart Duncan indicated that an RFP on COBRA processing services would be prepared.

Recent communication to retirees regarding City Plan pre-authorization and voice mail response time.
Bart Duncan stated that members can call the Beech Street 800 number for assistance with obtaining prior authorization from 5 a.m. to 5 p.m. He reported that a 48-hour response time commitment has been made to the retirees rather than 72 hours.

Status of collection of overpayments.
Rebecca Saroyan reported that there are only 24 providers remaining for settlement agreements.

Report regarding the City Plan Group, including status of claims processing.
Edna Erfe presented the Medical Claims Report, attached as **Schedule #1**. Ms. Erfe announced that Claims were up due to the holidays.

Report regarding the Membership Group including closure of Open Enrollment process for Management Cafeteria Plan.
Diane Ferrari distributed a letter from Bart Duncan that was sent out regarding closeout of Open Enrollment for the Management Cafeteria Plan, attached as **Schedule #2**. Open Enrollment for participants ended on August 25, 2000 and final steps to end it successfully were detailed in the letter.

Report regarding the Finance Group, including monthly financial report.
Bart Duncan announced that Bob Hencier is attending a seminar this week and will make a finance report at the next Board meeting.

Report on status of office expansion plans at 1145 Market Street.
Yvonne Hudson distributed a timetable of things necessary for the vacant space to be ready for occupancy by October 31, 2000. This document is attached as **Schedule #3**. Commissioner Fraser requested meeting the people responsible for meeting deadlines mentioned in the timetable.

Status of efforts to set up wellness programs available under the contract with United Behavioral Health (UBH).
Yvonne Hudson reported to the Board that a letter was sent to Mr. Tim O'Brien, President of the Retirees Association, however, there has not been a response. She will follow-up with him once again.

Report on status of efforts to get posting process on the Membership Accounting System (WANG) up-to-date.
Mr. Sam Kwong of DTIS gave an update to the Board regarding the postings and the ANG WANG system. Everything is up to date and the Personnel back-up procedure is being worked on promptly.

09142000-03 **Discussion Item** **Report from HMO Plan Vendors regarding the following specific issues:**

Kaiser-implementation of policy to fill only those prescriptions issued by Kaiser doctors.
Jane Fronk of Kaiser provided details about the implementation of a policy that will include having prescriptions filled at a Kaiser pharmacy that are not written by a Kaiser doctor. The policy goes into effect January 1, 2001.

Health Net-Status of Health Net's provider networks in Marin and San Mateo Counties.
Joanne Haggerty of Health Net reported to the Board that they are contracted directly with 31 doctors for the Marin area. Ms. Haggerty stated that in San Mateo, IPA was shut down with only 3 days notice. Reasons given for the closing were primarily financial.

Status of PacifiCare's provider networks in Marin and San Mateo Counties.
Pam Morton reported that PacifiCare were not contracted with Seton and Sequoia in San Mateo and therefore had no impact. She further reported that Security Horizons accepted members from San Mateo and Marin counties.

Public Comments: Richard Rothman expressed concern regarding Kaiser's pharmacy policy.

09142000-04 **Action Item**

Presentation and acceptance (with possible modifications) of regular financial report of Towers Perrin.
Mike Kramer reported that they didn't have a financial report for this meeting and that they will meet with Bob Hencier to discuss rate tables and monthly report objectives. Mr. Kramer stated that he would present the July and September financial reports at the next Board meeting. Michael Hilton was introduced to the Board as a new financial assistant with Towers Perrin.

Staff Recommendation: Accept Report

Public Comments: None

Action: In the absence of a full financial report from Towers Perrin, the Board moved to accept the limited financial report. The motion was seconded and approved by the Board. Motion passed 4-0.

09142000-05 **Discussion Item**

Overview of presentation given to Mayor Willie L. Brown, Jr. on August 28, 2000.
Yvonne Hudson and Bart Duncan presented to the Board the "HSS Overview, Presentation to Mayor Willie L. Brown, Jr., August 28, 2000." This is attached as **Schedule #4**. Ms. Hudson and Mr. Duncan met with Mayor Brown in his office and gave him an update report on the following issues: Claims Processing, Customer Service, Finance and Accounting.

Public Comments: None

09142000-06 **Discussion Item**

Update on analysis of alternatives to the City Health Plan.
Bart Duncan reported that the Department of Human Resources is further investigating the status of a new claims system.

Public Comments: None

09142000-07 **Discussion Item**

Opportunity to place items on future agendas.

Public Comments: None

09142000-08 Discussion Item **Opportunity for the public to comment on any matters within the Board's jurisdiction or interest.**

Public Comments: None

Adjourn **3:05 PM**

SUMMARY OF HEALTH SERVICE SYSTEM RULES REGARDING PUBLIC COMMENT

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HEALTH SERVICE BOARD

NOTICE AND AGENDA

Special Meeting
Thursday, October 12, 2000
12:00 PM

City Hall, Room 416
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

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❒	**Call to Order**		
❒	**Roll Call**	President Heldfond Vice President Zvanski Commissioner Deignan Commissioner Fraser Commissioner Paretchan Commissioner Welch Commissioner Yee	
❒	**10122000-01S**	**Discussion Item**	**Public comment on all matters pertaining to the closed sessions** Public Comments:
❒	**10122000-02S**	**Action Item**	**Vote on whether to hold closed sessions to hear appeals and to confer with legal counsel** (San Francisco Administrative Code section 67.10(d)) Staff Recommendation: Hold closed sessions Public Comments: Action:

CLOSED SESSIONS PURSUANT TO ARTICLE I, SECTION 1 OF THE CALIFORNIA CONSTITUTION AND PURSUANT TO GOVERNMENT CODE SECTIONS 54956.9(C) AND 54956.9(B)(3) AND SAN FRANCISCO ADMINISTRATIVE CODE SECTION 67.10(D)

Closed Session I: Consideration of the following appeal pursuant to Section 12.200(5)

❑ **10122000-03S**	**Action Item**	**Appeal of denial to change medical plans (HSS No. 030100-00).** Staff Recommendation: Uphold Denial Action:

Closed Session II: Conferences with legal counsel

❑ **10122000-04S**	**Action Item**	**Anticipated litigation** Number of cases: 1 X as defendant *Approval of settlement* *Parties: Health Net, City and County of San Francisco, Health Service System and related parties* *Case Number/Court: Not applicable* *Material Terms: In exchange for a payment of $2,000,000, Health Net releases in full all claims for underpaid premiums prior to July 1, 2000 (alleged at approximately $4,000,000)* Action:
❑ **10122000-05S**	**Action Item**	**Anticipated litigation** Number of cases: 1 X as defendant *Approval of settlement* *Parties: PacifiCare, City and County of San Francisco, Health Service System and related parties* *Case Number/Court: Not applicable* *Material Terms: In exchange for a payment of $$414,400.70, PacifiCare releases in full all claims for underpaid premiums prior to July 1, 2000 (alleged at approximately $475,000)* Action:

RECONVENE IN OPEN SESSION		
❑ 10122000-06S	Action Item	**Possible report on action taken in closed session** (Government Code section 54957.1(a)(2) and San Francisco Administrative Code section 67.12(b)(2)) Action:
❑ 10122000-07S	Action Item	**Vote to elect whether to disclose any or all discussions held in closed session** (San Francisco Administrative Code section 67.12 (a)) Action:
❑ 10122000-08S	Discussion Item	**Opportunity to place items on future agendas**
❑ 10122000-09S	Discussion Item	**Opportunity for the public to comment on any matters within the Board's jurisdiction** Public Comments:

SUMMARY OF HEALTH SERVICE SYSTEM RULES REGARDING PUBLIC COMMENT

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KNOW YOUR RIGHTS UNDER THE SUNSHINE ORDINANCE

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, Boards, Councils and other agencies of the City and County exist to conduct the people's business. The Sunshine Ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact Rachel Arsntine-O'Hara by mail to Administrative Services, #1 Dr. Carlton B. Goodlett Place, Room 362, by phone at (415) 554-6171, by fax at (415) 554-6177 or by email at Rachel_ArnstineO'Hara@ci.sf.ca.us

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HEALTH SERVICE BOARD

SPECIAL MEETING MINUTES

Thursday, October 12, 2000
12:00 PM

City Hall, Room 416
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

CALL TO ORDER 12:03 P.M.
ROLL CALL

President Heldfond, Excused
Vice President Zvanski
Commissioner Deignan
Commissioner Fraser
Commissioner Paretchan, Excused
Commissioner Welch, M.D.
Commissioner Yee, Excused

10122000-01S **Discussion Item** **Public comment on all matters pertaining to the closed sessions.**

Public Comments: None

10122000-02S **Action Item** **Vote on whether to hold closed sessions to hear appeal and to confer with legal counsel** San Francisco Administrative Code section 67.10(d).

Staff Recommendation: Hold closed sessions

Public Comments: None

Action: It was moved and seconded by the Board to hold closed sessions to hear appeal and to confer with legal counsel. Passed 4-0.

10122000-03S **Action Item** **Appeal of denial to change medical plans (HSS No. 030100-00).**

Staff Recommendation: Uphold denial.

Action: Appeal was deferred pending meeting with Health Net consultant.

10122000-04S Action Item Anticipated litigation

Number of cases: 1

X as defendant

Approval of settlement

Parties: Health Net, City and County of San Francisco, Health Service System and related parties.

Case Number/Court: Not applicable

Material Terms: In exchange for a payment of $2,000,000, Health Net releases in full all claims for underpaid premiums prior to July 1, 2000.

Action: It was moved and seconded by the Board to accept settlement of $2,000,000. Motion passed 4-0.

10122000-05S Action Item Anticipated litigation

Number of Cases: 1

X as defendant

Approval of settlement

Parties: PacifiCare, City and County of San Francisco, Health Service System and related parties.

Case Number/Court: Not applicable

Material Terms: In exchange for a payment of $414,400.70, PacifiCare releases in full all claims for underpaid premiums prior to July 1, 2000.

Action: The Board moved and seconded to accept the settlements for Health Net and PacifiCare.
Motion passed 4-0.

10122000-06S	**Action Item**	**Possible report on action taken in closed session** (Government Code section 54957.1(a)(2) and San Francisco Administrative Code section 67.12.12(a)) Action: None
10122000-07S	**Action Item**	**Vote to elect whether to disclose any or all discussions held in closed session** (San Francisco Administrative Code section 67.12(a)) Action: The Board moved and seconded t (1) not to disclose any details regarding the appeal on Item No. 3 and (2) to disclose the decisions as set forth above on Items Nos. 4 and 5. Motion passed 4-0.
10122000-08S	**Discussion Item**	**Opportunity to place items on future agendas** None
10122000-09S	**Discussion Item**	**Opportunity for the public to comment on any matters within the Board's jurisdiction** Public Comments: None

Adjourn: 12:40 P.M.

SUMMARY OF HEALTH SERVICE SYSTEM RULES REGARDING PUBLIC COMMENT

- Speakers are urged to fill out a speaker card in advance, but may remain anonymous if so desired.
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- A member may comment on any matter within the Board's jurisdiction at the designated time at the end of the meeting.

The complete rules are set forth in Section A(6) of the Health Service System Rules and Regulations. A copy of these Rules and Regulations is available at any time upon request. If you have any questions please call Arnetta E. Brown, Commission Secretary, at 554-1727, for assistance.

HEALTH SERVICE BOARD

NOTICE AND AGENDA

Regular Meeting
Thursday, October 12, 2000
1:00 PM

City Hall, Room 416
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

DOCUMENTS DEPT.

OCT 1 0 2000

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❒	**Pledge of Allegiance**		
❒	**Call to Order**		
❒	**Roll Call**	President Heldfond Vice President Zvanski Commissioner Deignan Commissioner Fraser Commissioner Paretchan Commissioner Welch Commissioner Yee	
❒	**10122000-01**	**Action Item**	**Approval (with possible modifications) of the minutes of the following meetings:** • **Regular Meeting of September 14, 2000** • **Special Meeting of September 14, 2000** *Documents provided to Board prior to meeting: Draft version of minutes.* Staff Recommendation: Approve draft minutes Public Comments: Action:
❑	**10122000-02**	**Discussion Item**	**Report of Health Service System Staff and Legal Counsel regarding the following matters:** • **Recent data posting problem – late data from State Teachers' Retirement System (STRS)** • **Request for Proposals (RFP) for COBRA processing (Bart Duncan)** • **Status of program to promptly terminate coverage for delinquent payees (Bart Duncan)**

- **Report regarding the City Plan Group, including status of claims processing (Edna Erfe)**
- **Report regarding the Membership Group, including:**
  1. **Monthly telephone reports; and**
  2. **Medicare information (Diana Ferrari)**
- **Report regarding the Finance Group, including:**
  1. **Monthly financial report;**
  2. **Status of KPMG audit of fiscal year 1999-2000; and**
  3. **Fraud detection seminar and plans (Bob Hencier)**
- **Report on status of office expansion plans at 1145 Market Street (Yvonne Hudson)** *(Representative of City Architect's Office to attend)*
- **Report on close of Open Enrollment for the Management Cafeteria Plan, including third-party administration problems (Yvonne Hudson)** *(Representative of EBS to attend)*
- **Status of collection of overpayments (Nathan Ballard, Deputy City Attorney)**
- **Report on status of new benefits administration and finance system (Ray Wong, Deputy Director of Human Resources, MIS)**

Documents provided to Board prior to meeting:

❶ *Claims processing status report*

❷ *Monthly telephone report*

❑ **10122000-03** **Discussion Item**

Report on recent activities of the Rates & Benefits Committee (Commissioner Welch)

Documents provided to Board prior to meeting: None

Public Comments:

❑ **10122000-04** **Action Item**

Presentation and acceptance (with possible modifications) of regular financial report of Towers Perrin

Documents provided to Board prior to meeting: None

Staff Recommendation: Accept Report

Public Comments:

Action:

❑ **10122000-05**	**Action Item**	**Discussion of recommendations of the Recommendation Panel for the HMO Plan Request for Proposals (RFP) and selection of HMO Plan proposers with whom the Rates and Benefits Committee and Staff should commence negotiations** *Documents provided to Board prior to meeting: Copies of responses to HMO Plan RFP issued on August 9; and Summary Spreadsheet prepared by Towers Perrin* Staff Recommendation: Authorize negotiations with the following proposers, as recommended by the Recommendation Panel: Active Employees: • Kaiser • Health Net • Blue Shield Retirees: • Kaiser • Health Net • PacifiCare (Secure Horizons) Public Comments: Action:
❑ **10122000-06**	**Action Item**	**Resolution commending Rob Leadbeater upon his retirement after 15 years of service** *Documents provided to Board prior to meeting: Draft resolution* Staff Recommendation: Adopt resolution Public Comments: Action:
❑ **10122000-07**	**Discussion Item**	**Update on analysis of alternatives to the City Health Plan (Bart Duncan)** Public Comments:
❑ **10122000-08**	**Discussion Item**	**Opportunity to place items on future agendas** Public Comments:

❑	10122000-09	Discussion Item	**Opportunity for the public to comment on any matters within the Board's jurisdiction** Public Comments:

SUMMARY OF HEALTH SERVICE SYSTEM RULES REGARDING PUBLIC COMMENT

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HEALTH SERVICE BOARD

REGULAR MEETING MINUTES
Thursday, October 12, 2000
1:00 PM

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City Hall, Room 416
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

Pledge Of Allegiance
Call To Order 1:03 P.M.
Roll Call

President Heldfond, Excused
Vice President Zvanski
Commissioner Deignan
Commissioner Fraser
Commissioner Paretchan, Excused
Commissioner Welch
Commissioner Yee, Excused

10122000-01 Action Item

Approval (with possible modifications) of the minutes of the following meetings:

- Regular Meeting of September 14, 2000
- Special Meeting of September 14, 2000

Staff Recommendation: Approve draft minutes

Commissioner Zvanski recommended clarification of the number of PPOs in Marin and San Mateo Counties as stated in Item 3 of the minutes of the September 14, 2000 regular meeting.

Public Comments: None.

Action: The Board motioned to approve the Regular Meeting minutes with the recommended amendments and the Special Meeting minutes of September 14, 2000.
The motion passed 4-0.

10122000-02 Discussion Item

Report of Health Service System Staff and Legal Counsel regarding the following matters:

Recent data posting problem-late data from State Teachers' Retirement System (STRS)
Bart Duncan reported that the recent posting problem of late data from the State Teachers' Retirement System has been solved and brought up to date with minimum effect to members of STRS.

Request of Proposals (RFP) for COBRA processing.
Request for Proposals for COBRA was mailed out Friday, October 6, 2000 and the deadline for contractors to respond is November 17, 2000. Bart Duncan will give the Board an update of the RFP for COBRA at the next Board meeting.

Status of program to promptly terminate coverage for delinquent payees.
Bob Hencier, HSS Finance Director, presented to the Board an outline that explained the objectives, scope of expenses and revenue, and the present and future plans for implementation of the delinquent payees project. This document entitled: "Delinquency Project," is attached as **Schedule #1**. Mr. Hencier will give the Board an update on the status of the project in January 2001. Diane Ferarri, Membership Manager announced that in preparation for implementation, the reconciliation process is current and will be complete by September 30, 2000. Yvonne Hudson, Assistant Deputy Director, reported that a letter explaining the delinquency process and how to fill out a Separation Report would be distributed to all Department Heads. This letter will include an instruction sheet on how to fill out this report. Ms. Hudson agreed with Commissioner Welch to include the Personnel Office in the delinquency process instructions.

Report regarding the City Plan Group, including status of claims processing.
Bart Duncan introduced Beaulah Smith, Assistant Manager of the City Health Plan Group. Edna Erfe, Manager of the City Health Plan Group presented the 2000-2001 Medical Claims Activity Report, attached as **Schedule #2**. Ms. Erfe stated that she receives approximately 800 claims a day and there is a need for additional staff to help process these claims.

Report of the Membership Group, including:
Monthly telephone reports:
Diana Ferrari presented the detailed telephone reports: for the week of 9/11 attached as **Schedule #3**, the week of 9/18 attached as **Schedule #4**, and the week of 9/25, attached as **Schedule #5**. Bart Duncan reported that the new AVAYA telephone system (formerly known as Lucent) helps to improve customer service quality by monitoring service calls and giving details such as holding time, log in and out times, call pick up etc.

Medicare information:
Diana Ferrari presented a report of retired members not in Medicare and who are between the ages of 65-80 years of age, attached as **Schedule #6** and another report showing members between 65-80 with Medicare, attached as **Schedule #7**. This report will be processed again by rate code to determine accuracy of the total number of retirees between the ages of 65-80 and who do not have Medicare. A letter will distributed in November and December to all retirees who are eligible for Medicare and have not signed up for it. Ms. Ferrari will give an update of this report at the Board meeting in November.

Report of the Finance Group, including:
Monthly financial report
Bart Duncan reported that Bob Hencier is working with Towers Perrin on structuring the scope of the HSS financial report to avoid duplication.

Status of KPMG audit of fiscal year 1999-2000
Bob Hencier reported that the KPMG audit for financial statements is currently in process.

Fraud detection seminar and plans
Bob Hencier presented a report on the "Fraud Prevention Institute," attached as **Schedule #8**. Mr. Hencier attended this seminar sponsored by International Foundation of Employee Benefit Plans in September 2000. He will give the Board an update in January of his progress in addressing areas outlined in his report.

Commissioner Fraser asked about status of vendors that are suppose to turn in information to HSS during the audit.

Mr. Hencier stated that he has requested major vendors to turn in a seven-year internal control review report.

Report on status of office expansion plans at 1145 Market Street:

Yvonne Hudson reported that modular furniture for the HSS office is expected to arrive on October 31, 2000 and will be set up starting that evening through November 3, 2000. The electrical work is complete and DTIS is doing the wiring for computers and telephones. Movers will arrive to move the workers on November 1st. Ms. Hudson introduced Mr. Yomi Agunbiade, Acting Director of the City Architecture Office. Mr. Agunbiade reported that the target date to complete the move and have everyone working in their new space is Friday, November 3, 2000. The Board was assured that the move would take place with minimum interruption of customer service. DTIS and IS will complete the moving and rewiring of the telephones and computers after work hours. Mr. Ray Wong, Deputy Director of Human Resources confirmed that staff from Operations would complete the hook-up of the computers and have everything operational for HSS with minimum interruption of service.

Ms. Hudson reported that the new plan design for the HSS office includes: private offices for all of the supervisors, additional conference room in the Membership area, new furniture for the reception area, and separate accessible conference rooms from the reception office for customers.

The exam for1210 Benefits Analyst is closed. Ms. Hudson stated that there are 7 vacancies and only 22 qualified applications for the position were received. Examination for 1210 Benefits Analyst position is scheduled for October 24, 2000 and a list should be available by the first week in November. Ms. Hudson reported that the 7 positions should be filled simultaneously with the office move.

Report on close of Open Enrollment for the Management Cafeteria Plan, including third party administration program

Yvonne Hudson reported that EBS sent letters to a large number of MEA members who failed to submit their enrollment forms during open enrollment.

MEA made adjustments from last year's records of funds previously allocated to members in order to keep them from their additional funds. Ms. Hudson reported that everyone that received the letter was permitted to make adjustments and complete their enrollment by September 21, 2000. By September 22nd the HSS staff had to have forms from EBS so that entry of the complex data would be complete before the October 23, 2000 deadline. Ms. Hudson informed the Board that 277 MEA enrollees failed to allocate funds to their health insurance as agreed, and as a result, the staff had to create new rate codes. The staff did an outstanding job and finished the project in 2 days. An agreement was made between EBS and MEA to give enrollees a choice to allocate either the full cost of their premium, or in $25 increments. Bart Duncan sent a letter to everyone involved that MEA changes or enrollment forms sent to the HSS office after the October 23rd deadline will not be accepted.

Commissioner Welch suggested that EBS meet with the Board and give a report on how to improve customer service. Ms. Hudson stated that EBS as invited to attend the Board meeting, but they called her prior to the meeting and said they would not be able to come; however, she will expect EBS to be at the November Board meeting. Bart Duncan informed the Board of ongoing issues and communication problems that exist with EBS and recommended the Board ask EBS about outstanding issues that they have with the City.

Commissioner Fraser asked Bart Duncan to review the contract with EBS and determine the options regarding terminating the EBS contract. Vice President Zvanski and the other Board members concurred with Commissioner Fraser.

Status report on the collection of overpayments
Deputy City Attorney, Nathan Ballard, who filled in for Rebecca Saroyan, announced that a lot of progress has been made in collecting the remaining overpayments in the past month. Laney Whitcanack distributed to the Board the "HSS Partial Payment Project Financial Recovery Progress Report," attached as **Schedule #9**. Ms. Whitcanack reported that final numbers will be specified on the overpayment report at the November Board meeting.

Implementation of People Soft
Ray Wong reported that the first thing that was done to prepare for implementation of People Soft was to upgrade the technology infrastructure of the Health Service System. HSS now has a separate server; a T-1 dedicated line, the latest computers and software. Mr. Wong stated that an email system has been installed that includes Lightspeed, which allows the staff to continue to use the Wang. A fit -gap analysis and prototype has been completed. Mr. Wong announced that his staff meets with HSS weekly to document needs and requirements and John Madden, retiree from the City Controllers' Office has been hired to assist with the People Soft project.

Jean Thomas, of Retirees Association had a question about the effects of replacing the Wang Computer.

Mr. Wong said that the eligibility and membership accounting portion of the Wang would be discontinued. Wang will be phased out of the system. HSS administrative staff that have received People Soft training are Yvonne Hudson, Diane Ferrari, Sandi Lockwood, and Beaulah Smith. The Board agreed with Bart Duncan to invite Mr. Wong back in December for an update report.

10122000-03 **Discussion Item**

Report on recent activities of the Rates and Benefits Committee:
Commissioner Welch reported that Beech Street will be invited to the Rates and Benefits Committee meeting scheduled in October to discuss the Committee's concerns regarding out of network and out of area benefits and DME vendors. Express Scripts gave an excellent presentation on pharmacy benefits plan and ideas on how to reduce cost. Discussions on frame allowance and vision care was deferred until more info on ratings is available. UBH and chemical dependency discussions were deferred until the next meeting in October.

10122000-04 **Action Item**

Presentation and acceptance with possible modifications of regular financial report of Towers Perrin:
Mike Kramer reported that he received materials from Sam Kwong in plenty of time to have a current financial report for the Board. The Trust Fund activity report is current and is up to September. The Consultant's Report entitled, "Hightlights" was distributed to the Board and is attached as **Schedule #10**.

Mr. Kramer announced that the format of the report has been changed to reflect information for the audit as well as for better access of information. As projected to the auditors last year, the Trust Fund is currently in better condition than last year.

Staff Recommendation: To accept Towers Perrin Financial Report.

Public Comment: None

Action: It was moved and seconded to accept the Consultant's Financial Report. Motion passed 4-0.

10122000-05 Action Item

Discussion of the recommendations of the Recommendation Panel for the HMO Plan, Request for Proposals (RFP), and selection of HMO Plan, proposers with whom the Rates and Benefits Committee and staff should commence negotiations

Bart Duncan informed the Board that the HMO RFP Recommendation Panel met and recommended the following HMOs be offered to **active employees: Kaiser, Health Net, and Blue Shield**. The Panel recommends the following HMO for **retirees: Kaiser, Health Net, and PacifiCare (Secure Horizons)**. Members of the Recommendation Panel were: Jay Constanello, Employees Benefits Director for the City of San Jose, Karen Smith, MD, Medical Director of San Francisco Health Plan, Louise Rogers, Manager at Mental Health Authority of Managed Care (DPH), and Diane Hermann, retired Deputy City Attorney. Each Board member received a package of all of the proposal and an overview prepared by Towers Perrin showing the comparison of the rates and benefits. Mr. Duncan informed the Board that Towers Perrin attended the Recommendation Panel meetings and provided consulting services to assist in the selection process.
The Commissioners took a five-minute recess to review the material that they received on the HMO.

Commissioner Welch commented that at the next Rates and Benefits Committee meeting she is requesting all the HMOs to reconsider the acupuncture component because it is offered in Plan 1.

Blue Shield was selected for actives over PacifiCare because

they offer a wide range of service in all areas of the U.S. and because the rates were more competitive.

Mary Wilkens, Vice President of Sales for PacifiCare, reported to the Board that PacifiCare re-evaluated their rates position and based on contracts & provider relationships in San Francisco they were able to make a 5% concession and considered making additional concessions, but were not able to do it. Ms. Wilkens said that they reported to the Wall Street Journal that the 3rd quarter was lower than expected and the stock market dropped. As a result, PacifiCare re-evaluated their business and financial components. Ms. Wilkens told the Board that the City primary plan would not be vulnerable during this plan year, July 2000-July 2001. However, she would have concerns for Fiscal Year 2001-2002.

Commissioner Welch ask what would happen if the Board agrees to pursue the negotiations and for some reason PacifiCare had to back out; what are the options within the rating process. Bart Duncan responded that after the RFP process, there is a 180-day period that allows them to go for the HMO that is second and leaves room to make adjustments if necessary.

Staff Recommendation: Accept recommendation as presented

Public Comment: Diane Hermann commented on why she voted for PacifiCare for retirees.

Action: It was moved and seconded to accept the recommendation. Motion passed 4-0.

10122000-06 Action Item **Resolution commending Rob Leadbetter upon his retirement after 15 years of service.**

Staff Recommendations: Adopt resolution

Public Comment: None

Action: Board moved and seconded to adopt resolution. Motion passed 4-0.

10122000-07 Action Item **Discussion and possible action regarding the close of Open Enrollment for the Management Cafeteria Plan, including third-party administration problems.**

Staff Recommendation: Deferred until the next meeting.

Public Comment: None

Action: None

10122000-08	**Discussion Item**	**Opportunity to place items on future agenda** Joanne Haggerty of Health Net responded to Vice President Zvanski's comment about members not receiving advance notices of PPO changes. Administratively when the doctors are not under contract, members are at the mercy of the doctors for notification. Public comments: Diane Hermann reported about the refund of her money on the designer frames and her concern over the lost of money from overpayment.

Adjourn 4:03 PM

SUMMARY OF HEALTH SERVICE SYSTEM RULES REGARDING PUBLIC COMMENT

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HEALTH SERVICE BOARD

NOTICE AND AGENDA

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PUBLIC LIBRARY

Special Meeting
Thursday, November 9, 2000
12:00 PM

City Hall, Room 416
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

☐	**Call to Order**		
☐	**Roll Call**	President Heldfond Vice President Zvanski Commissioner Deignan Commissioner Fraser Commissioner Paretchan Commissioner Welch Commissioner Yee	
☐	**11092000-01S**	**Discussion Item**	**Public comment on all matters pertaining to the closed sessions** Public Comments:
☐	**11092000-02S**	**Action Item**	**Vote on whether to hold closed sessions to hear appeals and to confer with legal counsel (San Francisco Administrative Code section 67.10(d))** Staff Recommendation: Hold closed sessions Public Comments: Action:

CLOSED SESSIONS PURSUANT TO ARTICLE I, SECTION 1 OF THE CALIFORNIA CONSTITUTION AND PURSUANT TO GOVERNMENT CODE SECTIONS 54956.9(C) AND 54956.9(B)(3) AND SAN FRANCISCO ADMINISTRATIVE CODE SECTION 67.10(D)

Closed Session I: Consideration of the following appeal pursuant to Section 12.200(5)

☐	**11092000-03S**	**Action Item**	**Appeal of denial by City Health Plan of coverage for prescription drug (HSS No. 24150-00).** Staff Recommendation: Uphold Denial Action:

Closed Session II: Conferences with legal counsel		
❑ 11092000-04S	Discussion Item	**Anticipated litigation** Number of cases: 1 X as plaintiff Action:
❑ 11092000-05S	Action Item	**Anticipated litigation** Number of cases: 1 X as plaintiff Action:
RECONVENE IN OPEN SESSION		
❑ 11092000-06S	Action Item	**Possible report on action taken in closed session** (Government Code section 54957.1(a)(2) and San Francisco Administrative Code section 67.12(b)(2)) Action:
❑ 11092000-07S	Action Item	**Vote to elect whether to disclose any or all discussions held in closed session** (San Francisco Administrative Code section 67.12 (a)) Action:
❑ 11092000-08S	Discussion Item	**Opportunity to place items on future agendas**
❑ 11092000-09S	Discussion Item	**Opportunity for the public to comment on any matters within the Board's jurisdiction** Public Comments:

SUMMARY OF HEALTH SERVICE SYSTEM RULES REGARDING PUBLIC COMMENT

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HEALTH SERVICE BOARD

November 9, 2000

The Minutes of the special and regular meetings are missing.

San Francisco Public Library
Government Information Center

HEALTH SERVICE BOARD

NOTICE AND AGENDA

DOCUMENTS DEPT.
NOV - 7 2000
SAN FRANCISCO
PUBLIC LIBRARY

Regular Meeting
Thursday, November 9, 2000
1:00 PM

City Hall, Room 416
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

☐	**Pledge of Allegiance**		
☐	**Call to Order**		
☐	**Roll Call**	President Heldfond Vice President Zvanski Commissioner Deignan Commissioner Fraser Commissioner Paretchan Commissioner Welch Commissioner Yee	
☐	**11092000-01**	**Action Item**	**Approval (with possible modifications) of the minutes of the following meetings:** • **Regular Meeting of October 12, 2000** • **Special Meeting of October 12, 2000** *Documents provided to Board prior to meeting: Draft version of minutes* Staff Recommendation: Approve draft minutes Public Comments: Action:
☐	**11092000-02**	**Discussion Item**	**Report of Health Service System staff and legal counsel regarding the following matters:** • **Overview of preparation timeline for plan year 2001-2002 (Bart Duncan)** • **Update on status of Request for Proposals (RFP) for COBRA processing (Bart Duncan)** • **Report regarding the City Plan Group, including status of claims processing (Edna Erfe)**

		• **Report regarding the Membership Group, including monthly telephone reports (Diana Ferrari)** • **Report regarding the Finance Group, including:** 1. **Status of program to promptly terminate coverage for delinquent payees** 2. **Report on finance and DTIS systems priorities; and** 3. **Status of KPMG audit of fiscal year 1999-2000 (Bob Hencier)** • **Update on recent office expansion at 1145 Market Street (Yvonne Hudson)** • **Report on problems with telephone information system and plan to fix the problems (Yvonne Hudson)** *(Representative of Department of Information and Technology Systems (DTIS) to attend)* *Documents provided to Board prior to meeting:* ❶ *Claims processing status report* ❷ *Monthly telephone report*
❑ **11092000-03**	**Discussion Item**	**Report on status of Health Net's accreditation process with the National Committee for Quality Assurance (Joanne Haggerty, Health Net)** *Documents provided to Board prior to meeting: None* **Public Comments:**
❑ **11092000-04**	**Discussion Item**	**Report on recent activities of the Rates & Benefits Committee (Commissioner Welch)** *Documents provided to Board prior to meeting: None* **Public Comments:**
❑ **11092000-05**	**Action Item**	**Presentation and acceptance (with possible modifications) of regular financial report of Towers Perrin (Mike Kramer, Towers Perrin)** *Documents provided to Board prior to meeting: None* Staff Recommendation: Accept Report Public Comments: Action:

❑	**11092000-06**	**Action Item**	**Report of results of the overpayment collection program and decision whether to end collection program (Laney Whitcanack, Project Manager)** *Documents provided to Board prior to meeting: None* Staff Recommendation: End the collection program Public Comments: Action:
❑	**11092000-07**	**Action Item**	**Discussion and possible action regarding the close of Open Enrollment for the Management Cafeteria Plan, including third-party administration problems (Yvonne Hudson)** *(Representative of Employee Benefit Systems, Inc. (EBS) to attend)* *Documents provided to Board prior to meeting: None* Staff Recommendation: Request follow-up report Public Comments: Action:
❑	**11092000-08**	**Action Item**	**Discussion and possible action regarding City Health Plan claims system and administration (Bart Duncan)** *Documents provided to Board prior to meeting: None* Staff Recommendation: None Public Comments: Action:
❑	**11092000-09**	**Discussion Item**	**Opportunity to place items on future agendas** Public Comments:
❑	**11092000-10**	**Discussion Item**	**Opportunity for the public to comment on any matters within the Board's jurisdiction** Public Comments:

SUMMARY OF HEALTH SERVICE SYSTEM RULES REGARDING PUBLIC COMMENT

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DISABILITY ACCESS

The meeting will be held at City Hall, #1 Dr. Carlton B. Goodlett Place, Room 416. The closest accessible BART Station is Civic Center, three blocks from City Hall. Accessible MUNI lines serving this location are: #42 Downtown Loop, and the #71 Haight/Noriega and the F Line to Market and Van Ness and the Metro stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services, call (415) 923-6142. There is accessible parking in the vicinity of City Hall at Civic Center Plaza adjacent to Davies Hall and the War Memorial Complex.

Accessible seating for persons with disabilities (including those using wheelchairs) will be available.

The following services are available upon request:

- American Sign Language interpreters will be available upon request.
- A sound enhancement system will be available upon request at the meeting.
- Minutes of the meeting or hearing are available in alternative formats.

If you require the use of any of these services, please contact Arnetta Brown at (415) 554-1727 at least 72 ours prior to the meeting.

In order to assist the City's effort to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City accommodate these individuals.

KNOW YOUR RIGHTS UNDER THE SUNSHINE ORDINANCE

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, Boards, Councils and other agencies of the City and County exist to conduct the people's business. The Sunshine Ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact Rachel Arsntine-O'Hara by mail to Administrative Services, #1 Dr. Carlton B. Goodlett Place, Room 362, by phone at (415) 554-6171, by fax at (415) 554-6177 or by email at Rachel_ArnstineO'Hara@ci.sf.ca.us

Citizens interested in obtaining a copy of the Sunshine Ordinance can request a copy from Ms. Arnstine-O'Hara or by printing Chapter 67 of the San Francisco Administrative Code in the Internet, at http://ww.amlegal.com/sanfran/viewcode.htm

HEALTH SERVICE BOARD

NOTICE AND AGENDA

Regular Meeting
Thursday, December 14, 2000
1:00 PM

City Hall, Room 416
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

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❒	**Pledge of Allegiance**		
❒	**Call to Order**		
❒	**Roll Call**	President Heldfond Vice President Zvanski Commissioner Deignan Commissioner Van Runkle Commissioner Paretchan Commissioner Welch Commissioner Yee	
❒	**12142000-01**	**Action Item**	**Approval (with possible modifications) of the minutes of the following meetings:** • **Regular Meeting of November 9, 2000** • **Special Meeting of November 9, 2000** *Documents provided to Board prior to meeting: Draft version of minutes for each meeting* Staff Recommendation: Approve draft minutes Public Comments: Action:

❑	**12142000-02**	**Discussion Item**	**Report of Health Service System staff and legal counsel regarding the following matters:** • **Welcome of new Commissioner, Aleeta Van Runkle (Bart Duncan)** • **Staff changes (Bart Duncan)** • **Report regarding the City Plan Group, including status of claims processing (Beaulah Smith)** • **Report regarding the Membership Group, including monthly telephone reports (Diana Ferrari)** • **Report regarding the Finance Group, including status of program to promptly terminate coverage for delinquent payors (Steve Lucich)** • **Report on administration of Management Cafeteria Plan (Yvonne Hudson)** *Documents provided to Board prior to meeting:* ❶ *Claims processing status report* ❷ *Monthly telephone report*
❑	**12142000-03**	**Discussion Item**	**Report by KPMG on audit results for fiscal year 1999-2000 (Tiffany Rasmussen, KPMG)** *Documents provided to Board prior to meeting:* ❶ Financial statements for fiscal year 1999-2000 ❷ Letter from Towers Perrin dated 10/31/00 with projection of financial condition of Trust Fund Public Comments:
❑	**12142000-04**	**Action Item**	**Presentation and acceptance (with possible modifications) of regular financial report of Towers Perrin (Mike Kramer, Towers Perrin)** *Documents provided to Board prior to meeting: Draft report* Staff Recommendation: Accept Report Public Comments: Action:
			RATES AND BENEFITS MATTERS
❑	**12142000-05**	**Discussion Item**	**Report on recent activities of the Rates & Benefits Committee (Commissioner Welch)** *Documents provided to Board prior to meeting: None* Public Comments:

❑ 12142000-06	**Discussion Item**	**Report by Towers Perrin on preliminary 10-County Survey results for fiscal year 2001-2002.** *Documents Provided to Committee prior to meeting: Overview of survey results.* Public Comments:
❑ 12142000-07	**Action Item**	**Adoption of recommendation of the Rates and Benefits Committee for fiscal year 2001-2002, to integrate the chemical dependency and mental health benefits within each health plan.** *Documents Provided to Board prior to meeting: None.* Staff Recommendation: Adopt the recommendation Public Comments: Action:
❑ 12142000-08	**Action Item**	**Adoption of recommendations of the Rates and Benefits Committee regarding HMO Plans for fiscal year 2001—2002** *Documents Provided to Board prior to meeting: None.* Staff Recommendation: Adopt the recommendations Public Comments: Action:
❑ 12142000-09	**Action Item**	**Adoption of recommendations of the Rates and Benefits Committee regarding vision plan for fiscal year 2001—2002** *Documents Provided to Board prior to meeting: None.* Staff Recommendation: Adopt the recommendations Public Comments: Action:
		END OF RATES AND BENEFITS MATTERS
❑ 12142000-10	**Discussion Item**	**Report from PacifiCare and Health Net on the status of their respective networks in El Dorado County** Public Comments:

❑ 12142000-11	**Action Item**	**Resolution commending Laney Whitcanack for her work as Project Manager on the overpayment collection program** *Documents provided to Board prior to meeting: Draft of resolution* Staff Recommendation: Adopt resolution Public Comments: Action:
❑ 12142000-12	**Action Item**	**Resolution commending Jean Fraser for her work as a member of the Health Service Board** *Documents provided to Board prior to meeting: Draft of resolution* Staff Recommendation: Adopt resolution Public Comments: Action:
❑ 12142000-13	**Action Item**	**Resolution commending Edna Erfe upon her retirement** *Documents provided to Board prior to meeting: Draft of resolution* Staff Recommendation: Adopt resolution Public Comments: Action:
❑ 12142000-14	**Action Item**	**Discussion and possible action regarding City Health Plan claims system and administration (Bart Duncan)** *Documents provided to Board prior to meeting: None* Staff Recommendation: None Public Comments: Action:
❑ 12142000-15	**Discussion Item**	**Opportunity to place items on future agendas** Public Comments:
❑ 12142000-16	**Discussion Item**	**Opportunity for the public to comment on any matters within the Board's jurisdiction** Public Comments:

4/00

HEALTH SERVICE BOARD
REGULAR MEETING MINUTES
Thursday, December 14, 2000
1:00 PM

City Hall, Room 416
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

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PLEDGE OF ALLEGIANCE
CALL TO ORDER
ROLL CALL

President Heldfond
Vice President Zvanski
Commissioner Deignan
Commissioner Van Runkle
Commissioner Paretchan
Commissioner Welch
Commissioner Yee, Excused

12142000-01 Action Item

Approval (with possible modifications) of the minutes of the following meetings:

- Regular Meeting of November 9, 2000
- Special Meeting of November 9, 2000

Staff Recommendation: Approve draft minutes
Commissioner Paretchan asked that the minutes be amended to say that he has missed only 3meetings in the past 30 years.

Public Comments: None

Action: Motion was moved and seconded by the Board to approve the minutes with requested amendments. Motion passed 6-0.

1214000-02 Discussion Item

Report of Health Service System staff and legal counsel regarding the following matters:

Welcome of new Commissioner, Aleeta Van Runkle.
Bart Duncan introduced Aleeta Van Runkle, Deputy City Attorney, as the new member of the Board and the replacement for Jean Fraser. The Board welcomed

Commissioner Van Runkle as a new member.

Report regarding the City Plan Group, including status of claims processing.
Beaulah Smith presented to the Board the 2000-2001 Medical Claims Activity reports for week ending 12/01/2000, attached as **Schedule #1** and week ending 12/08/00, attached as **Schedule #2**. Ms. Smith reported a staff change that includes losing 1 employee to Membership and training a new hire from the temporary agency.

Report regarding the Membership Group, including monthly telephone reports.
Diane Ferrari presented to the Board the Telephone Reports for weeks ending 12/08/00, attached as **Schedule #3**, 12/01/00, attached as **Schedule #4**, 11/24/00, attached as **Schedule #5**, and 11/17/00, attached as **Schedule #6**. As a result of the 1 additional analyst answering the telephones during the week ending on 11/17, abandoned calls were down to 3 and answering speed dropped to 1 minute. The additional telephone help has made a noticeable impact on the statistics. Customer service level increased to 62%.

Ms. Ferrari said that Premium Statements, attached as **Schedule #7**, would be mailed on Monday, December 18, 2000. The letters are easy to read and delinquent amounts and premiums due for next month are included in the statements. System problems have been repaired and letters, dated December 14, 2000, were sent to customers regarding the problems. This letter is attached as **Schedule #8**.

Training for 4 new analysts began on December 4, 2000. They will become a part of the public contact schedule on December 22, 2000, which will increase staff to 10 analysts. This will improve the wall board telephone statistics. One of the analysts will be assigned to work with MEA and one will work with appeals. Ms. Ferrari reported that letters are going out to 4500 non-compliant retirees and their dependents in a couple of weeks. This notice will inform them of Open Enrollment for Medicare, Parts A and B, from January through March 2001. This letter, "Letter A", is attached as **Schedule #9**. A follow-up letter informing members that Medicare

Open Enrollment ends in March will be sent in February. The Board was informed of the high number of members who receive letters but don't respond until after they have been dropped from the system. Mr. Duncan informed the Board that the HSS management team would work closely with the Retiree Association using their newsletter, as well as vendors to reach all members, including those who have moved without giving a forwarding address. If members miss this enrollment period they will have to wait until the next Medicare Open Enrollment to get coverage.

Report regarding the Finance Group, including status of program to promptly terminate coverage for delinquent payors.

Stephen Lucich of HSS Finance Group reported that a draft letter to delinquent payers would be available for the Board to review by their next meeting. All records are being reviewed for accuracy with the Membership staff. Sample letters are being mailed to some members to test the accuracy of the data and to minimize any adverse reaction. Mr. Lucich reported that he attended a meeting with the retirement system to discuss specific needs and anticipated problems with members that have changed their status from active to retired. Issues included are:

- Delay of automatic payment of premiums caused by the change
- Changes in contributions from the employee and employer
- Dental benefit payment change
- Coordination of all departments with each other to ease the transition and impact.

Mr. Lucich reported that he attended a meeting with the Community College District to discuss the delinquency issues. There will be additional meetings to address issues that concern both sides. The Unified School District has serious data integrity issues and meetings are being scheduled to discuss a timeline for producing quality data.

Report on administration of Management Cafeteria Plan.

Yvonne Hudson reported that she attends weekly meetings with EBS that have resulted in the need to produce procedures. Meetings with HSS, EBS, DTIS, and

Payroll are to develop procedures and clarify the responsibility of each group. Meetings are scheduled for December 18th and 29th, and January 8, 2000. The goal of these meetings is to produce a procedural manual by the end of the month or by the first week in January. The meetings will continue to be weekly until all issues are addressed, a policy is produced, and everyone is trained. Ms. Hudson assured the Board that the meetings regarding procedures should improve EBS's customer service problems. Bart Duncan informed the Board that before Open Enrollment begins, there would be a new contractor and amendments that contain objective standards for customer service in all future contracts.

12142000-03 Discussion Item

Report by KPMG on audit results for fiscal year 1999-2000

Tiffany Rasmussen of KPMG distributed to the Board:

1. "Presentation of Audit Results," attached as **Schedule #10**
2. The "CCSF Health Service System/Financial Statements, June 30 2000, attached as **Schedule #11."**
3. A letter from Towers Perrin, dated 10/31/00, entitled the "Trust Fund Financial Projection for the 2000-01 Fiscal Year," attached as **Schedule #12.**

The audit included a report concerning:

- Scope of Work
- Audit Purpose
- Reports Issued
- Auditor's Required Communications
- Financial Statement Highlights

The Board expressed concerns that based on their responsibilities as Trustees, they did not receive a draft copy of the management letter prior to issuance. Ms. Rasmussen responded that because of KPMG's contract with the Controller's Office, the draft of the management letter is sent to Ed Harrington. Ms. Rasmussen promised to address the management letter issue in 2001. The Board was pleased with the audit report and its improvement from last year and complimented Ms. Rasmussen for her excellent presentation.

Public Comments: None

12142000-04 Action Item

Presentation and acceptance (with possible modifications of regular financial report of Towers Perrin.

The Board thanked Mike Kramer and Towers Perrin for their contributions to the improvements specified in the audit report. Mike Kramer distributed to the Board the "Highlights" of the financial report, attached as **Schedule #13**. The number of claims in Plan 1 dropped last month. Gap dollars for the HMOs for the entire year will be approximately 1 to 2 million dollars. Towers Perrin also distributed a document entitled: " CCSF Financial Status Trust Fund on the Reserves," attached as **Schedule #14**. A summary column of the total cost of the net assets needed in case of a worst case scenario was added. Mr. Kramer reported that according to present projections there would be 8.8 million dollars in assets in reserve available even in a worst case scenario. This is more than what is needed and this issue will have to be addressed by the Rates and Benefits Committee. The Board commented on the quality of the report and complimented Mike Kramer and Towers Perrin for their good work.

Staff Recommendation: Accept Report

Public Comments: None

Action: The Board moved and seconded to accept the Towers Perrin financial report. Motion passed 6-0.

12142000-05 Discussion Item

Report on recent activities of the Rates & Benefits Committee

Commissioner Welch reported that there are three action items and 1 discussion item on the agenda of the next meeting in January. Towers Perrin was requested by the Committee at the last meeting to give a dollar figure amount for the 10-County Survey.

Public Comments: None

12142000-06 Discussion Item

Report by Towers Perrin on preliminary 10-County Survey results for fiscal year 2001-2002.

Mike Kramer presented to the Board the "10-County Survey of Employer Contributions for 2001-02," attached as **Schedule #15**. The 10-County amount for the current

fiscal year is $192.23 per month per member. City contributions for fiscal year 2001-02 will be $213.93 a month, an increase of $21.17. Mr. Kramer distributed to the Board a two-page document entitled: "CCSF 2001 Rate Actions by County," Attached as **Schedule #16** and "CCSF 2001 Rate Actions by Health Plan" attached as **Schedule #17.** The Health Plan rates have increased from last year.

Public Comments: None

12142000-07 Action Item

Adoption of recommendation of the Rates and Benefits Committee for fiscal year 2001-2002, to integrate the chemical dependency and mental health benefits within each health plan.

Commissioner Welch stated that the Committee recommends integrating the chemical dependency and mental health benefits within each health plan and recommends Option 2-integrate with medical plan as stated in Page 2 of the amended Mental Health & Chemical Dependency report by Towers Perrin, dated December 12, 2000:

- Plan 1 will have mental health and chemical dependency through UBH.
- Kaiser will continue to provide benefits.
- Health Net will continue to use their vendor, MHN.
- Blue Shield will incorporate UBH as their plan to offer mental health and chemical dependency.

Staff Recommendation: Adopt the recommendation

Public Comments: None

Action: Board moved and seconded to accept recommendations of the Rates and Benefits Committee to integrate the chemical dependency and mental health benefits within each health plan. Motion passed 6-0.

12142000-08 Action Item

Adoption of recommendations of the Rates and Benefits Committee regarding HMO Plans for fiscal year 2001-2002.

As a result of prior meetings and detailed discussions regarding changes in the HMO plans, Towers Perrin presented to the Committee several scenarios that would enhance benefits in Plan 1. Enhancements included in the plan design options are:

- Mental Health Admin.
- Mental Health Benefits
- Acupuncture
- Prosthetics & DME
- IVF, GIFT, ZIFT
- Hearing Aid
- Vision

Towers Perrin demonstrated the impact of Prop E on the rates in each scenario. Commissioner Welch informed the Board that the gap dollars will be lessened in the HMO plan design for fiscal year 2001-2002 and the gap dollar issue for Kaiser still needs to be addressed. Next Rates and Benefits meeting is January 9, 2001.

Staff Recommendation: Adopt the recommendations. The Committee originally recommended Scenario #10 because it offered enhancements in all of the HMOs. After reviewing the cost of Scenario #11 in comparison to Scenario #10, the Committee decided to amend the recommendation. Scenario #11 was recommended to the full Board because at a very small cost it incorporates all of enhanced the options for Plan 1 with Health Net and Blue Shield. The Committee recommended Scenario #10 for Kaiser because there was no difference between Scenario #10 and Scenario #11. The Committee asked Towers Perrin to provide the ratings for Scenario #11.

Action: Motion was moved, amended, and seconded to amend previous recommendations. The Board agreed to adopt recommendation of Scenario #10 option plan for Kaiser. Motion passed 6-0.

Motion was moved and seconded by the Board to adopt recommendation of Scenario #11 option plan for Health Net and Blue Shield. Motion passed 6-0.

Public Comments: None

12142000-09 Action Item

Adoption of recommendations of the Rates and Benefits Committee regarding vision plan for fiscal year 2001-2002.

Chair Welch reported that the Rates and Benefits Committee recommended the Option 2, 12/24/24 vision plan with a carve-out of a one year option. This will allow replacement of lenses within a year.

Staff Recommendation: Adopt recommendations

Public Comments: None

Action: Motion was moved and seconded to adopt Option 2, 12/24/24-vision plan with carve out option. Motion passed 6-0.

12142000-10 Discussion Item

Report from PacifiCare and Health Net on the status of their respective networks in El Dorado County.
As a result of problems experienced in El Dorado County, Bart Duncan received a letter from a member. He requested PacifiCare and Health Net to keep the Board informed of the problems in El Dorado County. Pam Morton could not respond immediately because of current problems with PacifiCare. Joanne Haggerty of Health Net reported that the IPA medical plans went out of business in El Dorado. Health Net contracts directly with doctors in El Dorado County and the pullout does not impact them. There are currently nine Health Net members in area. Health Net is withdrawing Medicare coverage in the Fresno and Sonoma areas, effective January 1, 2001. A letter was sent out to the 39 members who will be impacted by this pull out. Their current benefits will remain the same until their group's next open enrollment.

Public Comments: None

12142000-11 Action Item

Resolution commending Laney Whitcanack for her work as Project Manager on the overpayment collection program.
A Resolution commending Laney Whitcanack for her services was presented to the Board. This resolution is attached as **Schedule #19.**

Staff Recommendation: Adopt Resolution

Public Comments: None

Action: Motion was moved and seconded by the Board to adopt resolution commendation to Laney Whitcanack. Motion passed 6-0.

12142000-12 Action Item

Resolution commending Jean Fraser for her work as a member of the Health Service Board.

Resolution commending Jean Fraser for her services as a member of the Health Service Board. This is attached as **Schedule #20.**

Staff Recommendation: Adopt Resolution

Public Comments: Jean Fraser thanked the Board and everyone for their commitments and cooperation and for the opportunity to work with Towers Perrin, Retirees Association, etc. The Board and Bart Duncan expressed appreciation for the services rendered by Ms. Fraser that helped to move HSS to the next century.

Action: Motion was moved and seconded by the Board to adopt resolution commendation to Jean Fraser. Motion passed 6-0.

Bart Duncan announced Edna Erfe's retirement and introduced Beaulah Smith as the new interimCity Health Plan Manager.

12142000-13 Action Item

Resolution commending Edna Erfe upon her retirement was presented to the Board. This is attached as **Schedule #21.**

Staff Recommendation: Adopt Resolution

Public Comments: None

Action: Motion was moved and seconded by the Board to adopt resolution commendation to Edna Erfe. Motion passed 6-0.

12142000-14 Action Item

Discussion and possible action regarding City Health Plan claims system and administration.

Bart Duncan announced that Andrea Gourdihe, Director of Human Resources was not able to attend the Board meeting; however, she extends her endorsement of the report given by Ray Wong and Bart Duncan regarding the City Health Plan claims system and administration to the Board. Goals that the Board would like DHR to achieve are:

- A reliable and efficient and modern processing system
- Ability to create a flexible plan design to integrate to Plan 1 in time for the 2002-2003 plan year.
- Attain best practices and implement them in accordance to industry standards for claims management
- Provide management tools in the system that would permit appropriate over-site in auditing management at the staff level and by the Board.
- Elimination of material weakness and report conditions of KPMG management letters.

Mr. Duncan recommended that the Board conduct a Request for Information (RFI) to look at outside claims administration services that would be based upon successful discussions and acceptable arrangements with labor. Mr. Duncan stated that the staff has been informed of the preliminaries and the on-going discussions with labor and has been assured that top priority of DHR is that none of the staff will be displaced. Ray Wong, Deputy Director of Human Resources Information Services Division, gave the Board details regarding technical issues and the implementation of People Soft at the Health Service System. He also provided background information on the RFI process, and the vendors that responded to the request. Mr. Wong reported that the Wang system would be replaced because it is out-dated and maintenance service for it is not available; therefore, the ability to back-up the system is non-existent. There were seven responses to the RFI and five demonstrations from vendors. Bart Duncan stated that the new RFI is to collect more information regarding cost and administration options. Target date for issuing an RFI is the end of January or early February 2001, if the Board approves.

Staff Recommendation: None

The Board agreed to the importance of keeping the system up to date, but decided that they need to see more details of the RFI in writing.
They requested a summary that would include all of their concerns regarding the RFI, cost, administration options, et cetera.

Public Comments: None

Action: Board motion and seconded to conduct RFI regarding the City Health Plan claims system and administration. Motion passed 6-0.

12142000-15 Discussion Item **Opportunity to place items on future agendas**

Public Comments: None

President Heldfond reflected upon the accomplishments of the past year and congratulated everyone for their contributions and wished them a Happy New Year.

12142000-16 Discussion Item **Opportunity for the public to comment on any matters within the Board's jurisdiction.**

Deputy City Attorney Rebecca Saroyan reported that the Board of Supervisors passed a final resolution banning cell phone ringing, pager ringing and all other electronic ringing devices from all public meetings. This will be in effect by the next scheduled Board meeting. Penalty would be removal from the meeting by a presiding officer.

Public Comments: None

Adjourn: 3:05 PM